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100th Congress, 1st Session

H. Rept. No. 100-433

S. Rept. No. 100-216

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 4

Depositions

Lee H. Hamilton, *Chairman,*
House Select Committee
Daniel K. Inouye, *Chairman,*
Senate Select Committee

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.
November 17, 1987.—Ordered to be printed.

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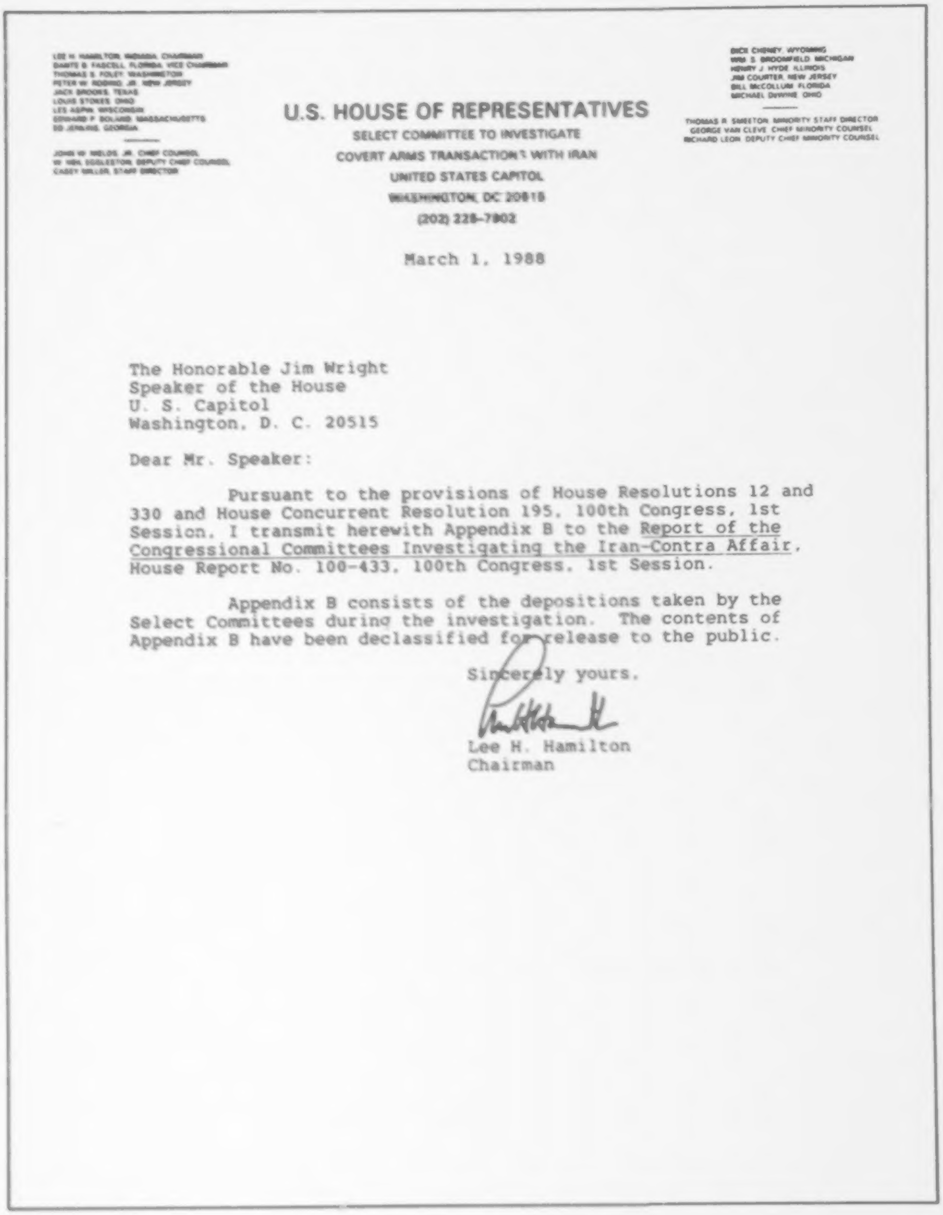

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March 1, 1988

The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

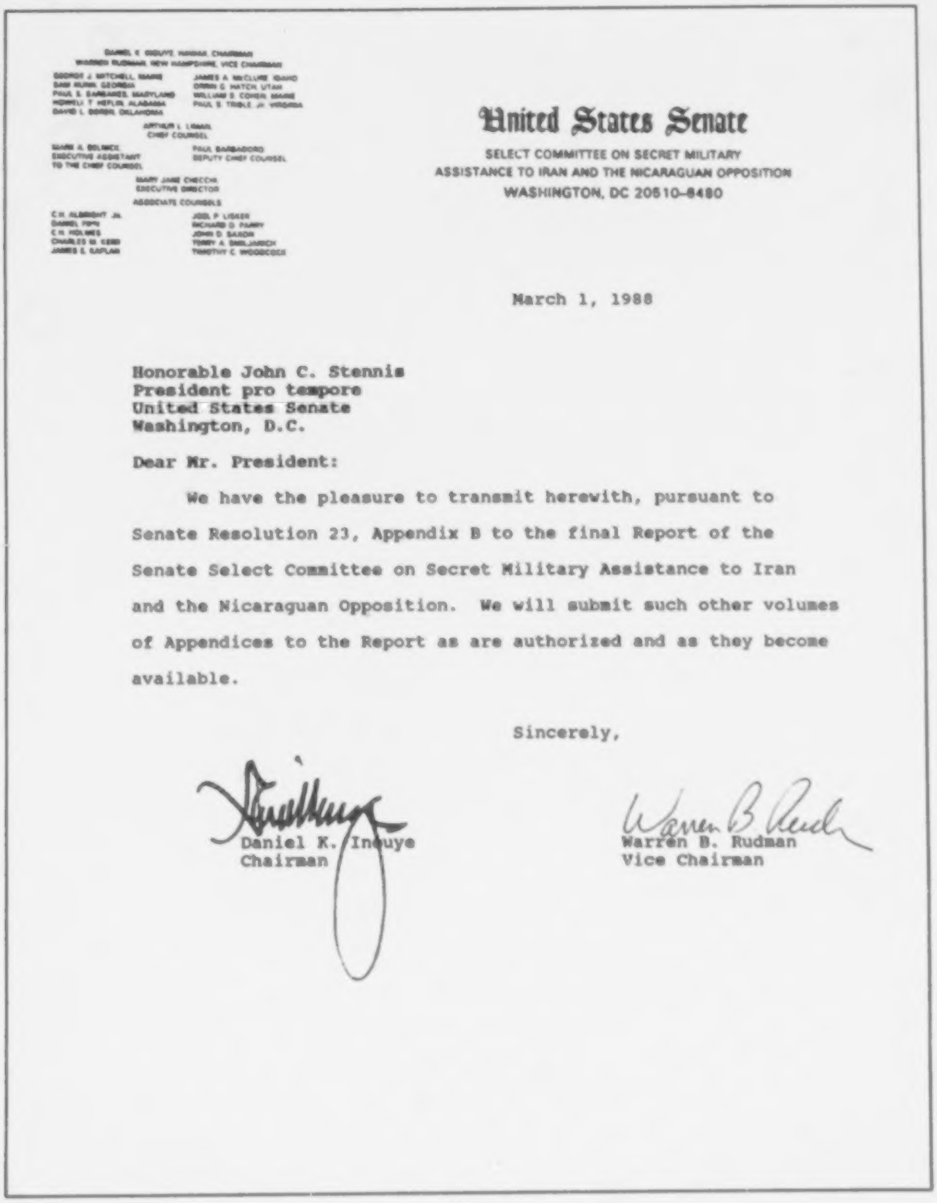
Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton
Chairman



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United States Senate

SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye
Chairman

Warren B. Rudman
Warren B. Rudman
Vice Chairman

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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the House and Senate Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents,* 2 volumes, 1988.
Appendix B: *Depositions,* 27 volumes, 1988.
Appendix C: *Chronology of Events,* 1 volume, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.

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by D. Sirko, National Security Council

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RPTS DOTSON

DCMN PARKER

DEPOSITION OF CARL R. CHANNELL

Tuesday, September 1, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
  Arms Transactions with Iran,
Washington, D.C.

The committee met, pursuant to call, at 11:00 a.m. in Roo 2203, Rayburn House Office Building, with Tom Fryman, House Select Committee, presiding.

Present: On behalf of House Select Committee: Tom Fryman, Kenneth R. Buck and ~~Oliver Spencer.~~ Spencer Oliver.

On behalf of Senate Select Committee: Tom McGough and Henry J. Flynn.

On behalf of the Witness: Alexia Morrison, Attorney-at-Law, Swidler & Berlin, Washington, D.C.

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Whereupon,

CARL R. CHANNELL

having been first duly sworn, was called as a witness herein, and was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. FRYMAN:

Q Mr. Channel, would you state your full name for the record, please?

A Charles Russell Channell

Q Off the record a second.

[Discussion held off the record.]

MR. FRYMAN: Back on the record.

BY MR. FRYMAN:

Q Mr. Channell do you now reside in Washington, D.C.?

A Yes, I do.

Q Where were you born?

A In Elkins, West Virginia.

Q What was your date of birth?

A 5-25-45.

Q Have you ever served in the military?

A Yes, I have.

Q What were the dates of your service?

A 1970 through 1973.

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by D. Sirko, National Security Council

Q What was your position?

A I was a Specialist 5 in the United States Army.

Q Where were you stationed?

A At Fort Knox, Kentucky; Germany, Fort Knox, Kentucky, again, and Charleston, West Virginia.

Q Did you attend college?

A Yes, I did.

Q Where did you attend?

A At American University.

Q What years?

A Sixty-three through sixty-eight.

Q What studies did you pursue?

A International relations.

Q Were you a full-time student during that period?

A Yes.

Q Did you obtain a degree?

A No, not at that time.

Q Did you pursue studies at any university other than American University?

A I went to Union Theological Seminary in Richmond, Virginia in 1969.

Q What course of study did you pursue there?

A Theology.

Q Did you obtain a degree there?

A No, I was there for just one year.

. Q What was the reason for undertaking a course of study in theology?

. A I had been very interested in both politics and religion all my life, and when I left American University, I was rather upset at what was going on both at the university and actually within the university. There were lots of problems going on, and I thought maybe that was just the wrong course of study for me and maybe I should have been focusing on another very strong interest in my life that I probably should have been focused on more heavily than I did.

. Q What was it that disturbed you at the American University?

. MS. MORRISON: Is this relevant?

. MR. FRYMAN: I think as preliminary background. I don't intend to pursue this a great deal.

. THE WITNESS: There was great social upheaval all over the United States on many American campuses. The war in Vietnam was a very hot issue in American University, of course, the social revolution for civil rights, black studies, African culture, the awakening of minority peoples in universities to what they considered to be their rights.

. What's odd about this, of course, is they wanted to be integrated into American society by having separate dormitories, separate studies and separate classes. It was

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a rather contradiction, I thought. They took over the administration building at one time. There was a lot of havoc. It was very demoralizing to me.

. Q Were you active as an undergraduate in student political affairs?

. A Some, not in an elected way. I was on, I think, one or two advisory boards or something like that at the American University.

. Q Did you consider yourself a conservative as an undergraduate?

. A No.

. Q Did you consider yourself a liberal?

. A Yes.

. Q And were these political organizations that you were involved with organizations associated with liberal positions?

. A Yes. It was a student government. It wasn't a club.

. Q You pursued a course of study in theology for one year at Union ~~College?~~ Theological.

. A That's right.

. Q Why did you decide to drop that course of study after one year?

. A I decided that I was probably in the wrong place. My interest in Christianity and the principles of

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Christianity in social movements was something that was very important to me, the moral basis for these social movements; and, as I have said to many people, what we were studying was how to get the air-conditioning budget through the church governing body.

. Q Now, there came a time--

. A In Richmond, that's a big deal.

. Q There came a time when you began to work for an organization called the National Conservative Political Action Committee.

. A That's right.

. Q what year was that?

. A 1976.

. Q What did you do between 1969 and 1976?

. A I spent three years in the military. I came back to Washington, and did some study at American University. I was looking for work here in politics, and I was spending a very great deal of time, because my father had just died and my mother was debilitated, dividing my time a lot in West Virginia trying to help her out.

. We had a family business there. Both my parents died over a four-year period of having cancer, and my brother is married and was not able to come back home. I was not married and so I showed up a lot.

. Q So for part of this time you were involved in the family business in West Virginia?

A It was constant. I split my time. I didn't want to stay there. I wanted to work in politics in Washington. So you can't pursue that if you are not here. But yet we were having these problems and the business had problems. My father had died. My mother had taken over the business because she was given the business. She didn't know what to do. She was getting sicker, and so I am sure you understand how you end up getting caught and spending a lot of time.

Q How did you come to be associated with the National Conservative Political Action Committee in 1976? And I take it that organization is frequently referred to by its initials NCPAC. Is that correct?

A Right. I went to campaign training school that was advertised in Arlington, Virginia, and it was a week long campaign technique training school, and at the end of the week Mr. Dolan came to me and said, ''Are you just here to study, or are you on a congressional staff? Why did you decide to come?''

I said, ''I am looking for a way to begin to break into politics, and I find this is very interesting, and I would like to participate out in the country, seeing what grass roots politics is like.'' He said, ''Well, we have several positions open for the 1976 campaign. They are, of course, part time. they only last four months or something.

What's the correct name?

Would you care to go to Iowa and be our representative in the Ken ~~Volck~~ fulk campaign?''

. Since I was very interested to do anything to learn, I made the mistake of saying yes. So I went.

. Q You mentioned Mr. Dolan. Who is Mr. Dolan and what is his full name?

. A John T. Dolan was one of the founders of the National Conservative Political Action Committee.

. Q Was he also known as Terry Dolan?

. A Yes.

. Q At this time, in 1976, was he an officer of NCPAC?

. A He was the head of NCPAC.

. Q Effectively the head of the organization?

. A Yes.

. Q Now, you mentioned as an undergraduate, to the extent you had been involved in political affairs you had been involved in what you considered liberal organizations. What was the reason for you to enroll in this campaign school of the National Conservative Political Action Committee?

. A The ad that NCPAC ran listed what they were going to teach, and I thought that was fascinating: a grass roots organization, what is a phone bank, how to write direct mail, how to target direct mail, advertising for candidates, events or campaigns, mobilizing grass roots support, everything to do with creating a campaign machine.

That has always fascinated me. It was a very extensive agenda.

Q So am I correct in understanding from your answer that your enrollment in the school did not reflect at this time any identification on your part with the political agenda of NCPAC.

A I didn't know what that was.

Q You were interested in the mechanics of campaigns; is that correct?

A Right.

Q Did you talk with Mr. Dolan about political issues during this week and his position on different issues?

A I don't recall that at all. I think NCPAC was only a year old at this point. I am not even sure that it had any election records, you know. It hadn't participated in any elections yet.

Q You said you were asked to participate in a campaign in Iowa; is that correct?

A That's the one he offered.

Q Was the candidate that you were to work for a Republican?

A Yes, he was.

Q Did you know anything about his position on various political issues?

. A Not before I went.

. Q So you didn't know if your political views were similar to his views.

. A Right.

. Q Did you learn after you worked for him for a while?

. A The first day. I mean I was briefed. Actually what they were going to do was to ask me to come out and brief me then, and see if everything would work out, and then come back later. But I was going to drive out there, and I said to Terry, if I am going to drive all the way out there, I am not going to come back here and drive out again. I am going to drive out and if I feel myself compatible with this man's views, I am just going to stay, so I don't want to go, frankly, until you think that you are willing to pay me to go because I will begin or I will say forget it.

. Q After you had this meeting with him, did you consider your views to be compatible?

. A Oh, yes. It was all right. I didn't think that--very few of the views he had had much to do with international politics, which was also all right with me, because I wanted to learn a very great deal about domestic politics anyway, and it was a congressional election.

. Q Did you consider at this point, in 1976, that you had specific views on international political issues?

. A Oh, yes.

Q What issues in specific?

A I guess all of us had passionate views on Vietnam. That was a big issue.

Q What was your view?

A On Vietnam?

Q Yes.

A That we had made a terrible mistake starting in 1965 by the incremental increase of American forces to Vietnam without any clear-cut political goals which we were pursuing, and which we were going to aim to attain; that it was an open-ended gradual commitment, and that it had led us to a great deal of bleeding with out ~~[illegible]~~ any purpose for the movement, and like Austria did to Germany, the smaller, weaker ally had locked in the greater ally to a cause which would cause the greater ally to bleed a lot more for no clear reason.

I guess in short you might say I felt we should either have had a very good political reason for being there and given them massive aid and possibly declare war, if it was worth a 100,000 troops in August of 1965, and then hundreds and hundreds and hundreds of thousands of troops later, we probably should have declared war and had that as a political purpose for being there, or decided very reluctantly that this was an area of the world where we might not be able to create or maintain our political goals and therefore, we would not use military force.

We would simply use diplomacy, try to reconcile our ally with his adversary.

Q When you began to work in this campaign in 1976, had you concluded that a military solution was not feasible in Vietnam?

A We had already lost. It was over. I concluded that our policy had rendered our military principles there as weak as possible, had begged for defeat. And I thought that was a terrible thing. We lost 50,000 people ~~by~~ my age and billions upon billions of dollars. We could have rebuilt every ghetto in America with the money we wasted in Vietnam.

Q Now, on domestic issues you say you were comfortable with the domestic views of the candidate in Iowa?

A Yes.

Q Did you consider his views conservative or liberal? Or did you consider them one way or the other?

A Well, I supposedly considered them just compatible with what I generally thought.

Q How long was this job in the Iowa campaign?

A It lasted until the end of November 1976.

Q And you were on the payroll of the campaign?

A Through--I guess it was. I got paid for November.

Q But you were being paid by the campaign, not by

NCPAC?

. A No. NCPAC gave a grant to the campaign, an in-kind contribution for me.

. Q So you were in effect a contribution by NCPAC to this campaign, to help out in the campaign?

. A That is right.

. Q And then did you continue with NCPAC after November of 1976?

. A I started again in, right after Christmas in 1977, anticipated in the five or seven state legislature races in the State of Virginia.

. Q And were you working under Mr. Dolan during these races?

. A Yes. Yes, I was.

. Q Were these congressional races?

. A No.

. Q State legislative races?

. A Right.

. Q And again you were working in specific campaigns doing day-to-day campaign chores.

. Q Yes.

. Q At what point did you leave NCPAC?

. A In 1982.

. Q Did you continue to work in other campaigns on behalf of NCPAC after 1977?

. A Yes, I worked with them.

. Q What other campaigns did you work in?

. A In 1978 I worked in a campaign in Illinois and the State of Texas and Massachusetts.

. Q And you continued to work in other campaigns up until 1982?

. A No, in 1979, January of 1979, I became the National Finance Chairman for NCPAC and held that position until the end of 1982.

. Q How did you happen to obtain that position?

. A Terry suggested that I take that job.

. Q Do you know what prompted him to make that suggestion?

. A Yes.

. Q What was that?

. A I was able to raise a lot of money for him.

. Q What was the first instance where you worked in fund-raising for Mr. Dolan and NCPAC?

. A It would have been January 1979.

. Q Can you describe the incident?

. A The incident? We had a briefing where several congressmen and senators spoke that NCPAC had helped and at the end of the briefing, the people were here all day, and at the end of the briefing I got up and made an address as to what NCPAC's plans were going to be in 1979, and what the budget was going to be; how much it was going to take, why this was important and why these programs were critical, and asked everybody there if they would financially help make, realize these programs.

. Q What was the response?

. A People did give money.

. Q Do you know if Mr. Dolan was impressed with the response?

. A Oh, yes, he was.

. Q Did he discuss that with you?

. A Yes.

. Q What did he say?

. A Well, he said that--he said,''I don't know how you do this. We have tried these events. This is the fifth time we have tried these events, and you have a talent that--how do you do this?''

. And I said, ''I don't know.'' He just saw me get up and that's what I did. He said, ''I've never seen it like this before, that you were able to have people write big checks which we have never had before, and you have a talent, and would--you take any job you want at NCPAC, any place you want to be, any office you want, any secretary you want, just would you do this again, more frequently, hopefully?''

. And he said this is--you know, he inquired a lot.

Have I ever done it before, sold girl scout cookies, whatever, and I said, no, and he said, ''There is just something you have I have never seen.''

Q So you agreed to devote your efforts to this task of fund-raising?

A Yes. I was going to be the National Finance Chairman and coordinate, try to raise a lot of the capital contributions myself and then try to coordinate that with our political programs.

Q And you took the title of national finance chairman in January of 1979?

A That's right.

Q And that continued until 1982?

A Throughout 1982.

Q You left at the end of 1982?

A Yes.

Q Had you had any experience in fund-raising before late 1978?

A No.

Q Would you describe the fund-raising programs that you pursued in this period at NCPAC, from 1979 to 1982?

A Well, between 1979 and 1981, the focus of NCPAC's activity was a new idea, implementing a new idea in American politics which we have defined as an independent expenditure program. We pursued those programs, independent

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expenditures, in national races throughout 1979 and into 1980. We used the independent expenditure idea in the presidential race of 1980 also. And it was really a two-year program.

The program was announced as partially funded the 17th o August 1979. We had been funding most of the spring and summer, and we announced a million dollars, $2 million program, and then we pursued the fund-raiser for this program and its execution from August of 1979 through November 4, 1980.

Q What is an independent expenditure program in this context?

A The Supreme Court has stated that the individuals and political action committees may spend unlimited amounts of money, Federal money or individual money, during campaign in a particular race as long as the people or the person, the PAC or person raising and spending the money has no contact with a proposed beneficiary, an inferred beneficiary of his activities. The key here is independent.

You can't talk to--if you are going to run an independent expenditure program, you can't talk to a candidate of that campaign you hope to benefit. You can't make strategy with them. You can't share their ~~policies~~ pols. You can't do anything with them the day you announce you are an independent expenditure. From that day forward, you must

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mean "polls"

go your own way with your own campaign, with your own strategy, implementing it alone.

And this comes out of an argument before the Supreme Court in 1976 or 1977 where the Supreme Court decreed this is allowed in American politics. And I don't know the case that prompted this, but that is where the genesis of the idea came.

Q And your activities for a two-year period was to raise funds for the independent expenditure program?

A That's right. That was the focus of everything that we did.

Q How many races were involved that--

A We tried to fund six independent campaigns, so there were five Senate races and the Presidential one would have been six.

Q That's a total of five over the two-year period?

A Yes.

Q How much money did you raise for these six campaigns?

A Well, I don't know how much we raised for the six campaigns, but I raised for NCPAC during that two-year cycle probably about $2 million in Federal funds. It is very difficult to ascertain how much one person actually raises. I had people from many cities in the country having fund-raisers for us. We would come in and talk about our program and show our television messages, and just leave, and then this person would take it upon himself to go door-to-door and pick up checks to help us.

Many of these people I knew personally. They would send the checks in and it was credited to what I had done to create these resources. But I didn't actually do it myself.

Q But you were in charge of all fund-raising for NCPAC during this period, were you not?

A No, I was just in charge of what we call capital resources. In English that is high dollar money.

Q What other fund-raising was underway for NCPAC apart from that?

A There was an extensive direct mail program, and that involved more than one direct mail house. There was extensive nationwide phone bank operations involving more than one phone bank, and then there were some state--excuse me, Terry had hired some individuals in various states to raise money also.

I was the smallest office for fund-raising at NCPAC. There were three other types of fund-raising going on in NCPAC while I was there. Mine was the smallest.

Q In the two-year period you mentioned, what was the total amount of money that was raised under your supervision?

A I think about two million.

Q About two million?

A I think so. It has been so long ago now, I haven't really thought about it.

Q Prior to this effort you said that you had not had any experience in fund-raising.

A That's right.

Q Did you talk to others in the field to learn about fund-raising, or did you develop fund-raising techniques on your own? How did you go about it?

A It was mostly on my own.

Q Is it your view that you undertook methods of raising funds that had not been used previously by political action groups?

A Yes.

Q What sort of techniques?

A The idea of--my whole philosophy of fund-raising was alien to political action groups. The idea that a political action group could have a personality, could have a personified symbol, was brand new in American politics, and I will never forget the night I spent with Terry arguing that Terry could become as powerful a personal leader in America as any Senator or Congressman, but we would focus, we had to focus, on Terry Dolan as a leader.

We had to put a lot of light on that, and that over a period of time, with enough focus on that, he would indeed tend to personify and personalize this organization, and therefore we would create a personal leader who could meet with people, talk with people as a Senator or Congressman could and evoke the same type of long-term loyalty and financial sacrifice that the Congressmen and Senators do.

And this was unheard of in American politics according to him. Since I was [illegible] new, you know, I wasn't sure. But I knew on Capitol Hill it was old politics by a long shot. But since PACs were relatively new, and they were by nature ~~your~~ so institutional, that I thought was a mistake. So we did that.

I created small meetings. We called them briefings, where we invited no more or had no more than 25 or 30 people come to Washington. We spent the whole day, sometimes the night, before and then the whole next day and that night, with these people, introducing Terry to each of them, getting to know each of them, listening to their concerns about America and listening for their interest in what they would like to do for America.

I was able to learn about these people, learn their interests, concern myself with what they would like to do. And then as our programs began to evolve, I knew in my head who we should consult, who we should call, who we could count on. But it was all very personal, and because of the personal commitment it took a lot more money. It wasn't a direct mail letter. And as you began to know these people, they became your official family, and it was not meeting with these people once and getting a check from them and saying thank you and good bye.

They would probably call the next day. They would want you to come and see them. They might call every week. They might start calling two or three times a week. And they did. And so a huge official family grew. By the time I left, we had over 155, ~~[illegible]~~ major givers to NCPAC. When I started, there were 10. And when we had raised, I created what I called the National Conservative Political Action Council or Policy Advisory Council, the same initials as NCPAC, where people gave a minimum of $5,000.

During an off year, they were asked to give to Terry's foundation for those activities. And then that became so successful and so big we created the governing committee, the steering committee for the council. We had 25 people in that council who gave $5,000, promised to raise $10,000, and give or raise $25,000 more for Terry's foundation.

That group started out with seven or eight and very quickly that became 25. And that is where we were when I left. And I had talked to Terry in late 1982 about getting an executive committee of the essence of the 25 and asking them to be responsible for 50 or 100,000. Because we were, these people, we were getting so much support we were discovering there was so much money ready for conservative organizations in the United States that we needed ways to spend that money.

That is not to say that Terry didn't have a debt. I wasn't indebting Terry, others were indebting Terry, but I had unlocked several facts that had heretofore not been appreciated in American politics. Conservatives were willing to give very heavily on anything that would further the conservative cause, education, politics, lobbying, all kinds of things.

Terry created a lobbying organization while I was there. He raised--I didn't do the fund-raising for that at all, but he raised a lot of money for that. He created a foundation while I was there. He started using the education fund of NCPAC extensively while I was there. His major problem was he didn't trust anyone else to do this but himself.

I sat out here with all the possibilities, but the trouble is it is like 25 cars getting gasoline from one tank. It is one at a time.

Q You mentioned that the contributors were brought to Washington for briefings. Were these briefings on particular subjects or were they general briefings? What was the nature of the briefings?

A They were political. Terry was very interested in campaigns. He was very big on campaigns. He had very little interest in foreign policy, which is one of the major reasons why I left. He was very interested in creating conservative political power in Washington and all these state capitals. So almost everything he dealt with--campaign techniques, innovations in elections, innovations in polling, innovations in studying the census for crews to new electorial patterns such as an 80 index as where you have all of this influx of people and it turns out Dallas, North Dallas, has this huge explosion of Republicans.

He was fascinated by that. He used to take home with him every night 10 to 15 pounds of polling, and it was--he spent hundreds and hundreds of thousands every year on polling to study.

Q Would campaign techniques be the subjects of the briefings for the contributors?

A Yes. And what would happen would be you would have, for instance, Robert Janson would come in and say how Terry had helped him and how we were very gratified that people like him would come in and say this technique Terry used was exceedingly successful.

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Q How did you get lists of people to invite to these briefings or how did you develop an invitation list?

A All the names, of course, were at NCPAC, and we had files and files and files of names. I would decide, for instance, if we were going to have a campaign in that state we would try to get a lot of people from that state to come to Washington. If we had some donors in that state, of course we would try to get them. If we had prospects in that state who had given small contributions but could give big contributions, we would try to get them to come to Washington, and we had an awful lot of referrals, people wanting to come, calling Terry--what are you doing, and we would say the next briefing we have, why don't you come.

Q You mention that you developed a group of, I believe, 150 donors--

A Ultimately.

Q --who contributed more than $5,000?

A I think it is more now, by the way.

Q But that period of time.

A Yes.

Q Is that the group that you considered your official family that you would keep in touch with--

A Try.

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. Q And would you go back to them seeking additional contributions on a periodic basis?

. A Well, you would go back to them and ask--once they had given their $5,000, you would ask them if they would help you, since they were so committed and so devoted, could they help you get other contributions from their friends, their wives and they very often did. Most of the time they did. It was a lot of people who eventually realized a family of 150 people is also too much. So we hired other people for--I hired Brent Bozell, for instance, and taught him what I knew to the best of my knowledge about fund-raising.

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. Q You mentioned that Mr. Dolan had several different organizations. You mentioned there was a lobbying organization and also a foundation. What did you understand to be the reason for the different organizations that he had?

. A It was quite clear the need to engage in different types of political activities, and he had a lobbying organization in order that they could advance the cause of the peace legislation. He had PACs in order that he could participate in direct political action, partisan political action.

. Q Did the tax laws have any bearing on the reason for these different organizations to your understanding?

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. A Each organization has different tax laws.

. Q Did you understand that any contributions to any of Mr. Dolan's organizations were tax deductible?

. A Oh, yes, his foundation activities were deductible. Then.

. Q What sorts of activities did the foundation pursue?

. A It had training schools. It did, I think, some films, and I think it printed--I wasn't involved in some of this so I am not going to remember very much, but I think it did a lot of printing information.

. Q Did it engage in any public education campaigns?

. A I don't remember that it did at that time. It has since, but not while I was there.

. Q Was Barbara Newington one of the NCPAC donors that you dealt with?

. A No.

. Q Was Ellen Garwood?

. A They were donors, but I did~~n't~~ deal with ~~them~~ her.

. Q Did you consider them part of your family at that time?

. A Mrs. Newington, no.

. Q Mrs. Garwood.

. A Yes.

& Report? →

. Q May King.

. A No.

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Q ~~Dr.~~ Mr. Hunt?

A Yes. Again, all of these people may have given to NCPAC, but I was not dealing with many of them.

Q Fred Sacher.

A No.

Q Mr. and Mrs. Warm?

A No.

MS. MORRISON: Can I just interject here for a second? Since we are starting to get into some of the names we recognize as being relevant to the issues I know you are going to focus on, I have got to point out one thing that hopefully will guide your questioning in terms of the formulation of certain questions to Mr. Channell.

We are obviously here, as we were for our last interview with you, prior to immunity grants from the committees. As you know, however, we also have been cooperating with Mr. Walsh's office in connection with Mr. Channell's plea. Pursuant to that cooperation, Mr. Channell was asked specifically not to observe, directly or indirectly in any way, the testimony of anybody who has appeared here pursuant to immunity and whose testimony was given publicly.

I mention that only because, having complied with that directive, Mr. Channell would not want you to, by your questioning, to give him information about what some of those people like Mrs. Garwood, Lieutenant Colonel North or others, information he scrupulously avoided learning about. I wouldn't want you to, through your questions, deliver to him information he otherwise wouldn't want to have.

If you could keep that in mind, I would appreciate it.

BY MR. FRYMAN:

Q Let me ask you one other name about the contributors to NCPAC. Was John Ramsey one of the individuals you dealt with?

A Yes.

Q How were you compensated at NCPAC, Mr. Channell?

A I was given a base salary for, I think, a year or two, and then I was given a bonus arrived at through an incredibly complicated formula which I have never figured out.

Q Was the bonus related in any way to the amount of money that you raised?

A Yes. It was over--I know that it was a certain amount, and I would get a bonus above that amount. The bonus would begin ~~and~~ when I had hit a certain level.

Q In the years 1979 and 1980 and 1981 and 1982, did your income from NCPAC in any of those years ever exceed $100,000?

A No.

. Q When did your work in raising funds for NCPAC of the sort that you have been describing come to an end?

. A Pretty much at the end of 1982. I went out on my own to start my little consulting firm between the end of 1982 and 1983 and I gradually phased out working as a consultant. I gave up my position and gave up--I gave up my position, full-time position, and became a consultant.

. Q You continued in this same work at NCPAC until the end of 1982.

. A I think so, yes.

. Q What was the reason that you decided to leave NCPAC?

. A I found that the work was extremely time-consuming. It was now getting to be very repetitive. I felt that Terry was ignoring a lot of the foreign policy issues that were coming out, and I had had many discussions with him on foreign policy and national security issues, and he didn't seem at all interested, and I just decided that I was burned out and I had done as much as I could do, and as this type of work, when you work in elective politics all the time, is very repetitive and I asked him what he planned to do in 1984. He said nothing new.

. I began to think, well, I just don't think I want to stay around anymore.

. Q So you effectively left at the end of 1982.

A Yes. I think I was on a consultant basis to him for a while afterwards.

Q You mentioned you started your own consulting company.

A Yes.

Q What was that company?

A It was called the Channel Corporation.

Q Where was that based?

A On Connecticut Avenue here.

Q What were the objectives of the Channel Corporation?

A We advised people on fund-raising, how to do it. Sometimes we would try to help. We would be contracted to maybe write a fund-raising perspective, try to have an event or something like that.

Q Would you be retained by candidates for public office?

A I could be, yes.

Q What would be another example of a type of client?

A That would have either been somebody in office or running for office or doing a fund-raiser, like an event, just focusing on the event rather than a long-term candidate.

Q So you could be retained by an organization as opposed to a candidate?

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A That's right.

Q And how were you compensated for these services? Was that on a negotiated fee basis?

A Yes.

Q That was the general--

A Yes.

Q Were you ever negotiated on the basis of a percentage of the amount of funds raised through some--

A I don't think so. I think it was just work hours. We just billed for work hours.

Q Now, you effectively started this operation in early 1983; is that correct?

A Yes.

Q After one year of its operation, were you satisfied with the results?

A No. I decided that this was just--I didn't think this was going to work out.

Q What was the reason for your dissatisfaction?

A There was a real lack of appreciation among my clients for my style of fund-raising and retention of people and cultivating people. I think the clients were rather interested in getting some money and moving on to something else, and that we were far too small--it was a little busy--I only had two employees--to do that.

Q Who were your employees, by the way?

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de la Rosa? →

A A lady whose name was Edna Neely, and then there was another secretary. I can't remember her name. She wasn't there a whole year.

Q What were their responsibilities?

A Just to answer the phone, basically.

Q So basically during 1983 the Channel Corporation was a one-man business with some support staff?

A Yes.

Q At the end of that year you were not satisfied with the results of the year, and my next question is, what did you decide to do?

A Well, in early 1984, I organized the American Conservative Trust, which was a Federal political action committee, and, after that, the National Endowment for the Preservation of Liberty, which is our foundation. The Federal PAC came first and the foundation come later.

Q What was the reason for organizing those two entities?

A I decided that I felt that we should be supporting conservative candidates for office who were challengers, that incumbents were by far getting so much money. The challengers were having a very difficult time of getting any money, and we were going to try to do that and that we might try to do some independent expenditures on issues that NCPAC was not interested in that I felt, foreign policy issues.

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that very possibly we should be concentrating on, as well as domestic issues.

There were ~~some~~ so many people out there working on domestic issues that the House was already full. There were not many people working on foreign policy issues at all, and so I felt that we might appeal to the American people in a different way than was already out there. And then with the foundation, of course, my goal with the foundation was to educate the American people mostly on foreign policy issues.

Again, I didn't think there was much activity on that. But there was a need for it.

Q So from the beginning, the objective of the foundation was public education efforts?

A On foreign policy.

Q On foreign policy?

A Right.

Q And the foundation was the National Endowment for the Preservation of Liberty?

A Right.

Q Now, was this organized as what is known as a 501C3?

A The foundation.

Q What did you understand was the purpose of organizing it in that fashion?

A I mean that's the IRS designation for foundations.

Q That would permit donors to take a tax deduction for contributions to the foundation?

A Sure.

Q Whereas, would contributions to the American conservative trust also be tax deductible?

A No. It is a Federal PAC.

Q That's a PAC. So the two organizations in your plan would pursue different types of activities. Is that correct?

A They did. And that is the law.

Q Who advised you on the legal aspects of this?

A One of my current attorneys, Kurt Herge.

Q H-E-R-G-E.

A Yes. He has been our attorney in these matters since the very beginning, his firm.

Q Did you consult with Mr. Dolan, Mr. Terry Dolan, about establishing the national endowment, which I will refer to as its initials, NEPL, or the American Conservative Trust?

A Did I consult with him?

Q Yes.

A I have talked to him about it.

Q Did you consult with him before you organized them about your plans for these two entities?

A I am not sure about ACT, but we discussed NEPL several times.

Q Did you discuss with Mr. Dolan any way that NEPL might coordinate its activities with the activities of NCPAC?

A No. The only thing I remember him saying quite clearly to me was this is going to fail. Nobody is interested in foreign policy issues. So I said, ''You are wasting your time.''

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RPTS MCGINN

DCMN SPRADLING

[12:00 noon]

Q When you established NEPL with an objective of public education campaigns on foreign policy issues, did you have any particular issues in mind?

A Well, then, of course, everything the Russians were doing was the focus. Soviet expansion, that umbrella, was really the focus, what to do about Soviet expansionism.

Q After you founded ACT and NEPL in 1984, what did you do with these organizations in 1984?

A Well, we just barely got them going. We raised a little money in the '84 election for my PAC. I don't think it was even a hundred thousand dollars. And I'm not even sure we raised that much for our foundation. We decided that we would do a study of American history textbooks to see how they treated foreign policy issues since World War II. We were very interested in the Conservative Opportunity Society and Newt Gingrich's ideas. We, as I said, participated a little bit in the national election in 1984. We didn't even get out a mailing, for instance, I don't think even April or May of '84 which is very, very late. No one had heard of it.

So we just sort of crawled along. We didn't really

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get started in the foundation until late 1984 and the PAC activities were small.

But I felt in running my own organization and focusing on the issues that I thought we should be focusing on. I was much more comfortable with what was going on and I did find that people--there was an interest out there. They might not be going to give me any money immediately, but there was definitely an interest out there which I had heretofore not known. ~~I had felt lit but I had not known it.~~

Q Did the foundation or NEPL sponsor any television advertisements in 1984?

A I don't think we did.

Q What was the first TV advertisement that NEPL or ACT either sponsored?

A I think the first ones probably were in '85. I think--I could be wrong but other than doing just maybe one add for something, a small campaign was mounted in I think March, April and May of 1985 to support the President on the freedom fighter aid bill.

Q We will come to that in a minute, but it's your recollection that that was the first television advertisement?

A Yes, sir.

Q Did ACT or NEPL sponsor any newspaper

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advertisements in 1984?

A We sponsored some get out to vote messages for people and then near the inauguration we sponsored some ads on Organization President Reagan.

Q What was the nature of those ads?

A People wrote in little messages of congratulations and we printed them.

Q In what papers did you print them?

A In the Washington Post.

Q And was that in January of 1985?

A Yes, the 20th or 19th, very close to inauguration day. Wasn't the 20th on Sunday or something like that, the last one? You don't remember?

MR. OLIVER: I think the 21st was the holiday.

THE WITNESS: It was sort of screwy. Anyway, real close to the inauguration we had these ads.

BY MR. FRYMAN:

Q Was that one of the major expenditures for the foundation, the ads?

A They weren't foundation ads.

Q They were ACT ads?

A Oh, yes, political ads.

Q Was that one of its major expenditures of the funds that had been raised in 1984?

A During that whole year-and-a-half that was probably

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the largest single one, definitely.

Q So am I correct then that NEPL in 1984 did not engage in any public education campaign on a foreign policy issue?

A Not by radio or television. We sent out pamphlets.

Q You were more or less getting organized in 1984.

A Oh, yes.

Q And at the beginning of the Reagan Administration ACT ran a series of newspaper ads or was--

A On inauguration day.

Q On inauguration day.

A That's right.

Q And ACT had made some contributions to--

A Various candidates.

Q --various candidates in the 1984 elections.

A Right. In fact, we had so little money--thank you for bringing this up. My goal of getting to put together an independent expenditure campaign was never realized because I never had enough money to do it.

I just started too late. That's all.

Q Was there any particular response that you remember to the series of ads that you ran at the time of the inauguration?

A Any particular response? Do you have anyone in mind?

. Q Well--

. A I was real happy with them.

. Q Is it your understanding that the inauguration ads was the reason for you being contacted about participating in the Nicaraguan Refugee Fund dinner?

. A Yes. I think that was the trigger. The woman who invited me to be a participant in that dinner had seen the ads.

. Q Who was that person?

. A A Mrs. Edie Frazer ~~[illegible]~~.

. Q When did she contact you?

. A I think it was in January, very close after the ads appeared.

. Q What did she say to you when she contacted you?

. A That would I like to participate in an activity for the President to raise money for Nicaraguan refugees and be on the dinner committee and help sell tables and so and so and I said yes, that would be delightful.

. Q Had you been aware of the organization of this dinner prior to her call to you?

. A No.

. Q Had Central America and Nicaragua been a foreign policy issue that had been of particular interest to you prior to the call from Mrs. Frazier?

. A No.

Q What was the nature of your involvement after the call from her?

A Ninety percent of it was going to the meetings at her office and as any dinner committee does, you talk about who you know and who they should send invitations to and what type of person should be invited to give higher money to come to the reception or the special briefing that they were going to have and how many groups do you know who could also come in to help sell tables, and that was every week.

Q When was the dinner held?

A The 15th of April, 1985, having been postponed once.

Q And between late January, 1985 and the date of the dinner, you participated in a number of meetings with Mrs. Frazier and others?

A Twenty-five or thirty others.

Q Twenty-five or thirty. Now you have described coming up I guess with proposed invitees to the dinner?

A We all did.

Q What else did you do besides that?

A Well, we got invitations sent to these people. I wanted our foundation to give a gift itself mainly because we had several donors who said they wanted to be anonymous and they thought it would be nice if my foundation gave a gift and they would remain anonymous. They didn't want to be on any dinner committee. They didn't want to be called again. I think probably the fear was, you know, I will give money. My name will get out. At 2 a.m. next Monday morning somebody about this issue is going to call me from a phone bank someplace in Sacramento and away we go.

. This is one of the major reasons why people give through other people and also give anonymously now-a-days. It didn't use to be that way, but it's now. And so we went to work to raise money in our foundation for some grants to the Nicaraguan refugees as well as--or the dinner, as well as selling the tables for the dinner.

. Q Was the work for this dinner what developed your interest in the subject of Nicaragua and Central America originally?

. A Well, of course everybody knows something about Nicaragua. They know the experience we have had with it recently. I was aware that it was down there and I was aware that the Soviets were doing a lot down there. I was aware that the Carter policy of trying to work with these revolutionaries and maintain--you may have heard this statement before--find the moderates in the regime and work with them for the future had probably failed, and that I was also aware that some of the terrorism was coming out of Nicaragua.

. But I really hadn't focused on the essential characteristics of Nicaragua as a burgeoning communist state. This experience, talking to people who were from there coming up to see us, preparing for the dinner, reading the literature that was sent over so we could talk to people about it really opened my eyes considerably, considerably.

. Q Did you participate in some briefings at the White House in preparation for this dinner?

. A Well, there was an initial briefing at the White House before I was invited to participate in this dinner that I was asked to go to. But there were no briefings at the White House afterwards before the dinner that I attended.

. Q So the initial briefing was in January?

. A Yes.

. Q When you spoke to various conservative contributors about this issue of Nicaragua and Central America, did you find a strong response among that group?

. A Well, I was surprised. I found that almost everybody I talked to had been giving to other people in regard to Nicaragua for some time, that this issue was on their minds much more intensely than it had been on mine, that many of these people were very well informed and I was a little bit embarrassed, frankly. Ellen Garwood is a walking encyclopedia of what has happened in Nicaragua the last hundred years in detail.

. Q And she's someone you contacted in early 1985 after Edie ~~Frazier~~ Fraser called you?

. A Yes. I think she may have given some money. She didn't participate or anything. But she listed for me five or ten organizations she was giving money to for Nicaragua, and had been for years, and people that she knew that were involved in that. I frankly was a little bit embarrassed and I also realized that I was going to have to learn a lot, that this was an issue where interestingly enough, conservatives were very well informed and my hunch was right. They were very interested in foreign policy and I was coming at this now real unprepared.

. Q When had you originally met Mrs. Garwood?

. A I met her in 1979 or '80 at a ~~NICPAC~~ NCPNC meeting.

. Q And she had been one of the contributors you had dealt with at ~~NCPAC~~ NCPNC?

. A Yes. She had been giving to them from the beginning of that organization, which I think was in '74, '75. She was well known to Terry Dolen and even when I began--I mean I heard her name four or five years before I ever spoke to her.

. Q And she is one of the persons you had kept in regular contact with?

. A Yes. She was very interested in foreign policy and that had piqued my interest after I had first met her when we talked. All she talked about was national defense and foreign policy. She wasn't--seemed oblivious to the domestic concerns, which most conservatives are quite interested in.

. Q Did you develop what you considered a personal friendship with Mrs. Garwood?

. A Yes, very much so.

. Q By early 1985 that had developed?

. A Yes. I would say she would have called me her friend by 1985.

. Q When she would be in Washington as a matter of course would you normally see her?

. A No.

. Q On occasion would you see her?

. A Once in a while. But we weren't that friendly at that point. In fact, I didn't see her in Washington, I don't think, until late June or early July of 1985 for the first time in 1985, the year was half over.

. Q Was there a time when you drove her around to look at the cherry blossoms?

. A Well, I don't know whether I drove her or maybe I did. I am real proud of them. I think of seven or eight people if they were here I would show them the cherry blossoms.

. Q But I mean do you recall that Mrs. Garwood had never seen the cherry blossoms before and you showed them to her?

. A Oddly enough, I don't remember that. I can think of three other people that I do very clearly remember. I don't remember that with her but that's very possible because I would have wanted to do something like that for anybody, as I say.

. Q Well, going back to early 1985, you contacted Mrs. Garwood after you had been in touch with Edie Frazier concerning the refugee dinner?

. A Yes.

. Q You learned from her she was very interested in the subject of Nicaragua and Central America.

. A Yes.

. Q Were there other persons that you contacted where you found a similar interest?

. A Oh, yes. When I talked to Bunker Hunt I found that he was well informed, extremely well informed, and--let's see who else of that group. I talked to the Hills down in Texas. I found they were very well informed.

. Q What is the Hills?

. A It's a family down there.

. Q What's the first name?

. A Al, Albert I guess. They were very well informed. When I talked to Mrs. Newington--I actually didn't talk to her. Cliff Smith talked to her. He came back to me with a tremendous amount of information about Nicaragua that he had learned that I didn't know about either, that she was well-informed. So I decided during this period I decided that I was definitely on the right track but I was after a huge bear though with a plastic trap. I wasn't at all prepared for this.

But this was definitely something that people were--good, strong conservatives, had become well-informed about and were extremely concerned about and wanted to act on. But I hadn't heard anything about it in the Washington papers and seen very little of it anywhere else. It was a surprise to me.

Q Also did you conclude that this was an issue that they probably would be prepared to contribute money for?

A Oh, yes. You must understand that many of these people look at participation in American politics beyond voting as something if they can help financially. This is part of their participation and if they are truly interested in a subject, it means I'm not doing this because I'm bored to death. I want action on this. All of my contributors are very action-oriented. In fact, they have been characterized quite accurately I think in the newspaper as warriors. They are somewhat ill at ease at a time of peace, I gather. They are very activist, very activist-oriented.

~~Helen~~ Ellen Garwood has called me at midnight about a conversation which she has just finished with somebody else. I have a lot of people who have done that regarding some issue and it's really inspiring. It's very inspiring.

Q Going back to the organization of NEPL in early 1985, you mentioned Cliff Smith. Had Mr. Smith become an employee of NEPL by early 1985?

A Yes, '84 he was--like in August of '84 he was either working part-time or full-time.

Q Was he your first employee at NEPL?

A No. No, I don't think so.

Q I mean other than a secretary or someone as a support staff.

A He was the first serious fund raising person other than secretary types, yes.

Q And in January, 1985, was he the only fund raiser type employee of NEPL?

A I think so. We later on hired some other people who came and went. I'm not sure I could give you the chronological order of each but he was the permanent, was becoming the permanent one. Not necessarily NEPL. I mean he was an employee for ACT. He did political work for ACT in '84 and then in '85 he did work for NEPL.

Q All right. Now did you also in early 1985 enlist the assistance of Dan Conrad?

A Well, I brought him to Washington to be an assistant to Edie Frazier as help for Edie Frazier and he was interested in coming to Washington for a little while. He was doing some work or had some dealings here with some other corporations. I think Public Broadcasting was something--he was working out something with them and he said he would come to Washington and help work with this dinner to make it a success. Later on in the spring I asked him to stay in Washington and help me and I think he started that I think in late March or early April, right before the dinner occurred he started working with me.

. Q But during the period February-March when he was primarily working on the dinner, he was not being paid by you?

. A No.

. Q But he was being paid by Mrs. Frazier's group?

. A Yes.

. Q Is that your understanding?

. A Or nobody. He might have been paid by nobody.

. Q And Mr. Conrad at that time was based in San Francisco?

. A Yes.

. Q And he had his own company in San Francisco?

. A Yes.

. Q What was the name of his company?

. A It's Public Management Institute, PMI.

. Q And you asked him in late March or April to stay in Washington and work with you at NEPL?

. A For a while.

. Q For a while.

. A Uh-huh.

. Q Now, was that--

. A I fully intended that he would, you know, early summer go home.

. Q Was that in the role as an employee or did you retain him or his company as a consultant to NEPL?

. A We worked out a consultant arrangement.

. Q In April of 1985 were Mr. Smith and Mr. Conrad the only persons associated with NEPL in a professional capacity?

. A I think so.

. Q You mentioned a couple of times when you called conservative contributors you found they were much better informed about Nicaragua than you and you felt you needed to learn about the subject of Nicaragua and Central America.

. How did you go about doing that?

. A Well, of course the experience of the dinner and getting that literature and talking to people who came for that, that was part of it, and then when we finally met--not finally. When we met Rich Miller we were engulfed by expertise in the Central America, Nicaraguan issue.

delightfully so.

Q Did you contact anyone at the White House about developing information on Nicaragua?

A Well, after, when the dinner was fairly on the way and during the debate here on Capitol Hill, I realized that maybe there was a political dimension to this Nicaraguan issue which I hadn't thought of or it's very possible that I began to see the political dimension that was there that I hadn't seen before, and so I've got to ask you to help me with his name--what's his name at the White House?

Q Was it Ed Rollins?

A No.

Q Was it John Roberts that you talked with?

A Yes, that's right, John. I had actually called Ed Rollins' office. I had met Ed twice before in my life and I wondered if he ever remembered so I called for him and said I would like to talk to somebody about doing something to help with the Nicaraguan issue. They were debating on Capitol Hill at that time about the vote, is there anything we can do. Whoever the secretary was said oh, yes. We will get back to you and finally he called and said I wanted to meet with him quickly and snoop to find out what was going on and if there was a way we could help, and John said that he would meet us for lunch somewhere and talk to us about this issue. I didn't know anybody else to call at the White

House at all. Since we were so new in the political business ourselves, I knew that nobody knew who we were so we took him out to lunch over at Duke Zeiberts.

. Q Who is we?

. A Dan Conrad and I. Took him out to lunch and at that time he told us what the situation was on Capitol Hill and the debate and what the prospects looked like and what some of the issues were. I really was ignorant about so much of this. I didn't even know how the coalitions on Capitol Hill broke down. And I wasn't even sure what the President was doing. In fact, the amount of money for humanitarian aid kept escalating and declining. I wasn't sure where the President was on that issue.

. So he said to us during lunch that--he said if you want to know where to go you should go to see IBC, ~~this~~ these fellows Rich Miller and Frank Gomez. They are the White House--outside the White House on this issue. And I know that other people, Dan Conrad had said they are something else because he has said it to me at some times. White House out of the White House stuck in my mind because I thought that was a graphic description of the competence of these people, the expertise of these people.

. He said--he did not make any other suggestion. He didn't say go see this person, this person or this person or IBC. He said go see Rich Miller.

Q Did he explain why he believed they were so knowledgeable on this subject?

A No. He just said these were the people who could answer our questions, help us get involved with the freedom fighters. They were in contact with everybody and that's where we should go.

Q The initials IBC stand for International Business Communications; is that correct?

A Yes.

Q Did Mr. Roberts indicate that that company or Mr. Miller or Mr. Gomez had had--had been performing any services for the State Department?

A I do not recall him ever saying that.

Q Did he in that conversation use any phrase such as they were a front for some other entity?

A No. I don't remember that.

Q You don't recall that?

A No.

Q Was this luncheon the first time you had met Mr. Roberts?

A Yes.

Q Did he say how he knew Mr. Miller?

A He mentioned that they had worked in the campaign together. I can't remember what they did together but they worked in the campaign together.

Q What did you understand Mr. Roberts' position to be at the White House at that time?

A One of Ed Rollins' assistants.

Q And Mr. Rollins was what?

A The political director.

Q Did he mention anyone other than Mr. Miller and Mr. Gomez as a source for you to obtain information about Nicaragua?

A Not to my memory he didn't.

Q Did he suggest that you contact them?

A Well, other than saying if you really want to find out about this you should-he didn't push it or anything. He just said those are the people. That is where the expertise sits and if you want to help and if you want to know how to help and want to know about Nicaragua, they are the people who can help you.

Q Was there any discussion at this luncheon about whether they would charge for helping you?

A I don't recall that at all.

Q Did you indicate that you would like to get in touch with them?

A Oh, yes.

Q Did you ask him to make a call?

A I think I did ask him, feeling of course that we were unknown. I was unknown in Washington. I asked him if he would call and tell them we would like to come and see them. I had no idea--I didn't remember at that time that I had even met him before, but I had.

Q Who are you referring to?

A Rich Miller.

Q Right.

A And I think he said he would call and say we were interested in Nicaragua and would they see us.

Q And you did then meet with Mr. Miller and Mr. Gomez?

A Shortly thereafter.

Q Was it the same day?

A Might have been.

Q Where was that meeting?

A In their offices.

Q And was that you and Mr. Conrad?

A Well, I think Dan went over first and I either saw them that day or very shortly thereafter myself. I know that Dan had the initial meeting with them.

Q What was the reason for the initial meeting with Mr. Conrad?

A I must have had something else to do.

Q Nothing more than that?

A No.

Q What do you recall about your first discussion with

Mr. Miller and Mr. Gomez?

A That again I was coming at this from a neophyte position--I was very impressed with what they knew, who they knew. They knew an awful lot of people whose names I never heard of but they said this person is this in the Democratic Resistance and this person does this and this person handles this and they knew a great deal about the politics of Latin America in detail. They knew the history of our involvement in detail. They knew the people in Washington who were working with the President and against the President, and all the politicians seemingly in great detail.

They knew--I was just very impressed. I felt that John Roberts had been absolutely right, that these people indeed did hold tremendous expertise and depth on this issue.

Q Did they indicate in the initial conversation or one of the initial conversations that they had been engaged by the State Department to perform services relating to Central America?

A No.

Q Did you ever learn that?

A I know now.

Q When was the first time you became aware of that?

A Sometime last year at the earliest, late last year at the earliest.

Q In the fall of 1987?

A Six.

Q Fall of 1986.

A Yes. I wasn't aware of that during our relationship. He had a lot to do with the State Department. He knew a lot of people there and he talked to us. I mean he sent us over there for a briefing, for instance. He knew people in the State Department very well and he talked about that frequently. He may have said at one time we have a contract with them, but if he did, it didn't hit. And then late last year when I did find out it did hit. I mean I did recall it.

But he had a lot of contacts. Frank Gomez I guess had worked at the State Department for a long time. They knew a lot of people in the State Department and to say we are going over to the State Department and get this, we are going to have a meeting over there, they did a lot of that, but I don't remember them saying for the longest time we have a contract with the State Department.

Q You were impressed with Mr. Miller and Mr. Gomez' knowledge in the initial meeting about Central America?

A Very much so.

Q Did they provide you any written materials?

A Yes.

Q Was there any discussion of a consulting arrangement with their company?

A Yes. When I was there.

Q This was the first or second time that you met with them?

A Yes.

Q Did you make a proposal or did they make a proposal?

A I asked them if they would help us.

Q What did you ask them to do?

A Well, I told them that I wanted to help the President if we could and that I had a foundation and I had a political action group and would they like to work with one of those, that I figured that we were going to do something eventually on this issue in both ~~Houses~~ houses but that the vote in Congress was coming up and would he like--would Rich like to have a contract with my political group to help us do something. We were not sure yet what we wanted to do, but to help us if, if we were going to do newspaper ads, radio ads or television ads, would he like to help us do that. And I think the agreement was like a 30-day renewable agreement or something.

I actually wasn't sure ~~who~~ how far it would go, frankly. And they said yes, they would be glad to help us and tell us who we should see for film. They had some people in mind as to who could do the commercials for us. I asked them specifically about that because the people who had done the commercials for Terry were terrible. The people were fine. The commercials were just not good.

. Q Who did they propose?

. A The Goodman people who turned out to be I think very fine.

. Q Now you say the initial understanding you believe was a 30-day agreement or an agreement to cover a period of 30 days.

. A Yes.

. Q What was the dollar amount?

. A I think it was $5000 initially for part of a month and then there were expenses involved.

. Q And this was oral and not written?

. A We may have gotten a written copy of it later, but I don't remember that we--

. Q I take it they continued to provide services to your organization after the 30-day period.

.. A Well, we then contracted with them I think in May to start working with NEPL because our political activities on television ended and so we started working with them through NEPL and then paying them through NEPL.

. Q And was this a written agreement or an oral agreement?

. A I think we got a bill on that. They just invoiced us every month.

Q Did you pay a set amount every month or did the amounts vary?

A Well, I know we paid expenses but we also paid a set amount.

Q A monthly fee.

A Yes, a monthly retainer.

Q What was the monthly retainer?

A I think it went up to 15,000 soon. I don't know whether it was the second month or third month but very shortly thereafter.

MR. FRYMAN: Do you want to break a little early?

MR. OLIVER: That's fine. My appointment is at 1.

MR. FRYMAN: Do you want to break now and want to try to be back as close as 1:30 as possible?

MR. OLIVER: Could we do it at 1:45? I need 45 minutes at least.

MR. FRYMAN: If we are going to--why don't we go a few minutes more then if that's all right.

THE WITNESS: Go do it.

MR. FRYMAN: Can you go for five minutes more?

THE WITNESS: Sure.

BY MR. FRYMAN:

Q Mr. Channell, we have talked about the organization of the American Conservative Trust in 1984 and the organization of the National Endowment for the Preservation of Liberty also in 1984. No, you I believe also established other organizations; is that correct?

A Yes.

Q Would you identify the other organizations that you established and the approximate~~ly~~ date when they were established, and also give a brief description of the function of each?

A Sure. I established Sentinel I think in ~~1985~~ 1984. I'm never clear on these dates because there is always a time lag involved, putting these things together and then finally getting the accreditation, but you could raise money for them once you had requested the accreditation. So I'm always sort of fuzzy here about exactly the moment when they got accreditation.

Sentinel, which is a lobbying group. And then in 1985 we also established the American Conservative Foundation, which was another foundation. That foundation was going to do issues, frankly, that were more worldwide in scope and interest. That was the ideal plan for that. And as you know, in 19--mid-1986, I think it was June, as a favor to Mrs. Newington we took over the management and the control of Western Goals.

Q That had been an organization headed by Congressman ~~McDonnell~~? McDonald

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A Yes. Right.

MR. McGOUGH: What kind of organization was the American Conservative Foundation?

THE WITNESS: It was a regular foundation.

MR. McGOUGH: 501C3?

THE WITNESS: Yes.

BY MR. FRYMAN:

Q How did you change the Organization of Western Goals after you took it over?

A Well, Linda Goodwall quit and--is that what you mean?

Q No. Was there both a Western Goals Endowment and a Western Goals Foundation?

A Fund. There was one organization and three different bank accounts.

Q But to your knowledge there was only one organization?

A Yes. In fact, I didn't even know the other two bank accounts existed for about six months after we had taken it over I thought when people talked about Western Goals Endowment Fund they meant Western Goals. All I was focusing on was Western Goals. But there was an endowment fund and then there was something else.

Q But so far as--

A But it was just two or three bank accounts evidently.

. Q So far as your are concerned the legal structure of Western Goals was not changed after you took it over. It remained the same legal structure?

. A Yes, sir.

. Q Going back to the American Conservative Trust that was founded in 1984, were there two separate funds under the American Conservative Trust?

. A Yes, the state election fund and the federal fund.

. Q But in terms of an organizational entity, it's one single organization?

. A Right.

. Q Is that correct?

. A Right.

. Q Now, other than Sentinel and the American Conservative Foundation, did you establish any other organization?

. A Well, we put together legal papers for a consulting firm called Hill Potomac. It's not quite there yet.

. Q It has never been a functioning entity?

. A I think we have a bank account or maybe I made the check for the filing fee. Maybe that's what it is. But that's all.

. Q Did you establish an organization called the Anti-Terrorist American Committee?

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. A Oh, yes. That was a federal PAC that we established in the spring of '86.

. Q What was the reason for that?

. A I thought that frankly, incorrectly, that terrorism was going to become a major political issue in this country of long-term duration. It has really not. And that there were going to be tremendous ramifications domestically, politically about this and there have not been. And we were going to create an organization that really focused on congressional attitudes toward terrorism and policies associated with terrorism. It hasn't happened.

. MR. McGOUGH: What kind of organization was that?

. THE WITNESS: It was going to be a federal PAC.

. BY MR. FRYMAN:

. Q Was there also a state election fund with that?

. A Yes. We would always do that.

. Q Did you establish another organization called Grow Washington?

. A Almost. We paid the filing fee for that one, too, and that was going to--I had really forgotten these because we have never done anything with them. That was going to support free enterprise candidates in the District of Columbia for election.

. Q But that has remained an inactive organization?

. A Also, yes.

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Q Are there any other organizations that you have established that you recall?

A I think that's it.

Q Has the Channell Corporation continued to exist?

A Not today. It went out of business a month ago.

Q But ~~it continued to exist in 1985 and 1986?~~

A Yes, legally.

[Whereupon, at 1:00 p.m., the deposition was recessed, to reconvene at 1:45 p.m., the same day.]

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RPTS DOTSON

DCMN STEVENS

2:00 p.m.

AFTERNOON SESSION

BY MR. FRYMAN:

Q Mr. Channell, when we adjourned for lunch we had been talking about your initial meeting with Mr. Miller and Mr. Gomez. Following that meeting, did NEPL in 1985 become involved in supporting legislation in the Congress to provide assistance for the resistance in Nicaragua?

A In the first meeting?

Q Yes.

A Well, NEPL became eventually, a year later, involved in educational activities on Nicaragua, acted as supporting the President on Nicaragua in April and May of 1985.

Did I hear your question correctly?

Q I may have incorrectly phrased the question.

The support for the President's legislation in 1985 was paid for by ACT; is that right?

A Exactly.

Q And the support by NEPL did not begin until 1986?

A Right. The educational campaign didn't start, we were planning it in late 1985, doing testing and then we started it in December 1985.

. Q What was the nature of the support that the ACT provided in 1985?

. A I think we did two ads maybe. And we put them on various places around the country.

. Q These were television ads?

. A Yes, they were T.V. ads. As I recall the President lost one of the votes by two votes. I truly can't remember which vote this was. And so we put on a message saying something like the President is in search of two votes. And that was the message.

. Q Were these ads prepared by the Robert Goodman Agency?

. A Yes.

. Q You mentioned this morning that Mr. Miller had introduced you to the Goodman Agency?

. A Suggested that they were good.

. Q Is it your recollection there were two television ads in 1985?

. A I think we did more than one for the same thing.

. Q Do you recall the names of the ads?

. A No. I don't know which--I, frankly, don't remember. , we have done so many. But I do remember that was the first line of one of the ads. And then we did what they called a

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--by the way, I am not exactly sure why they entitled the ads the way they did. It is something Bob Goodman thought of.

We did an ad on the Korean Airliner tragedy. They called it the Korean Airliner tragedy ad.

We did an ad on--I think it was another one for Nicaragua, a second one on Nicaragua.

Q But the Korean ad was unrelated to the Nicaragua ad, I take it?

A Right. But we put it on I think during some of the same time. I am sorry, I can't think of the name of the other ad.

Q Was it your intention that the Korean Airline ad would have any effect on the Nicaragua vote?

A I can't remember what the line was there. No, that wasn't really part of the lobbying at all. We put it on very close to there and I am not exactly sure what the purpose was. I can't think of the rest of the ad.

Q Am I correct that you selected certain particular media markets where the ad relating to Nicaragua would be run?

A Yes. Rich helped us, guided us to various media markets plus Washington, D.C.

Q Who made the decision about which media markets would be used in 1985 for this initial ad?

A Of course, I ultimately did because I was the one

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who had to spend the money.

. Q Did you ask Mr. Miller for recommendations?

. A Yes. We had a lot of support and advice from them. Again, I will go back to the fact that they were experts on this issue, and they knew which argument would appeal to which Congressman. They knew which arguments would appeal to a lot of the various constituencies around the country.

. I had come from a political background where this issue and this type of issue ~~was~~ were not at all relevant. But they did know the domestic political relevant of this, and I was in the process of learning that. So I really went with their guidance, and they met with other people like Dan Kuykendall a very great deal before they presented a list to us.

. Q Did you yourself confer or seek advice from anyone other than Mr. Miller and Mr. Gomez about selection of media markets?

. A I don't recall that I did. Goodman, we would have talked to Bob Goodman about it, too.

. Q You mentioned you understood Mr. Miller met with Mr. Kuykendall. Do you know of anyone else he met with or discussed the markets?

. A No. He could have. I am not apprised of that.

. Q What did you understand were the criteria for selecting media markets for these ads during this initial phase in 1985?

A Goodness, I can--it would be, I can just give you a general criteria for selecting media markets normally. I am not sure I can separate 1985 from 1986. I think it was the same deal. Where there was support for the President, for instance, in his election campaign, that may not have been reflected in the Congressman's votes. The way the Congressman had voted on issues like Nicaragua before, such as El Salvador, maybe the Defense Budget or an issue of Central--maybe aid to Central America. I am just trying to think of--there were lots of--the third would have been the type of argument that would have appealed to a non-committed Congressman.

We debated--in fact, I learned a great deal about this, we debated for months on the type of arguments that would make sense to Congressmen. Because in our lobbying, we rarely went out to threatening about it. I think maybe twice we said the Congressman was not supporting the President and we hoped he would.

Almost all of our ads said the Congressman hasn't made up his mind yet, hasn't decided yet. Because in most instances that is where we were.

We were dealing with Congressmen who had not declared themselves. We were dealing with constituencies that our analysis showed would support the President. So this was the mix.

Especially the arguments that makes sense to a Congressman--how do you make sense to a Congressman, where you can take very good arguments and the Congressman will turn away from them. You can make bad arguments and the Congressman might pick up on it. What arguments are intelligible to a Congressman.

This goes back to his voting history, it goes back to the history of his constituents. We had lots of debate about the hierarchy in the House, who was beholding to who, who belonged to what group, whether these ads would make any difference or not.

In 1986, I nearly lived with Dan Kuykendall because he is such a vast resource on the history of the House of Representatives and the way it works and you just don't take a list of uncommitted Congressmen and say here is an ad, let's go after ~~him~~ them. You are stumped if you do because it is not going to help you at all.

MR. FLYNN: Are these markets pretty much in this area of the country as opposed to the West Coast?

THE WITNESS: There is next to nothing on the West Coast.

MR. FLYNN: You were concentrated in this area?

THE WITNESS: No, we concentrated pretty much in the Sun Belt. A little luck here, but not much. But we focused our lobbying on Congressmen who truly had not made up their minds, and I learned from Kuykendall that every Congressman is truly an individual living in an historical and cultural time that you had better appreciate before you put any ads on about them.

They must--the ads must relate to the Congressman, make sure the Congressman will respond to it, not--you know, when you are trying to get someone to support you, you don't want to get them mad. So that was a lot--you were asking about criteria.

That is a lot of the criteria.

BY MR. FRYMAN:

Q You mentioned in 1985 the ads were sponsored by ACT instead of NEPL?

A That is right.

Q What was the reason NEPL did not sponsor these ads in 1985?

A These are lobbying ads. These are ads directly requesting support for a piece of legislation that is specific, not general policy. Policies aren't legislation. When you ask someone to support the President's policies, he may not even need any legislation, support the President's policies in Geneva, for instance. Well, what is the legislation? There isn't any.

So our lobbying organization aimed at specific pieces of legislation. That is the only way we know to do it.

A Congressman--who do you know he is uncommitted if there is no legislation on the table?

Q But the advertisements were focused or directed towards particular Congressmen also in 1985?

A That is all it was. The lobbying ads were on a Congressman?

Q Were Congressmen's names mentioned in the advertisement?

A I think some were. I am not sure if they all were or not.

Q No, in 1985, other than the advertisements, what activities did your organizations undertake in support of the legislation?

A That is all. It was over, I think, in May. I can't remember whether the conclusive vote was May or early June. But it was over then, so we quit.

Q Again, focusing on 1985, what techniques did you use to raise funds for your organizations in 1985?

A Well, the centerpiece of all of our fundraising has been small meetings or private briefings as they evolve, sometimes. But we tried to have for each program a briefing if we could and have experts in to talk about it and to develop the program for the group and get them to support it. This was just a--I learned it at NCPAC. I think it is a good practice.

Q Now, the vote on the Nicaragua aid you recall was in April or May of 1985?

A Well, there were two or three votes. You see, the first vote, the President lost before the Nicaraguan dinner finally occurred, so it must have occurred like the 2nd or 3rd of April. Then there was a vote after the dinner sometime, and I think that was in May or at the latest, early June. Then it was over.

Q Well, now, have you had briefings for your supporters prior to the second vote in May or early June?

A No.

Q But you had run ads in connection with that vote?

A Yes.

Q How had you raised money for those ads?

A We had called several people and told them the situation. Of course, they had seen it on television or read it in the newspapers. And this was the crisis these people had been very supportive of the President, and he failed. And we then decided we were going to try to do something politically rather than with just the refugees to help him and we came up with an ad.

It is not very original, by the way. Most of the people don't raise the money to do it, that is all. So we were able to raise the money for the ads, and so we put, I think it was two nights of ads on.

Q After the vote, did you decide to have a briefing with respect to Nicaragua?

A Yes. We had actually--as you know in the Congress, all these times voting slips, when you think it is going to be over, it may not be over. We were working at the very same time we were running the ads, we were working to create a briefing on Nicaragua in general to sensitize the people, and we had talked with Rich Miller about the possibility of doing that, and he said, oh, yes, it is very possible to do that. We had wanted to know if he could help us put on such a briefing, and I suggested to him that we try to go into the White House for the briefing, because I had been to the White House for several briefings and I knew that would be attractive to everybody on earth, of course.

Could we have a briefing in the White House? Well, he didn't know, but he had suggested that he put together for us a request to go to the Public Liaison Office of the White House and see if they would allow us to have a briefing. And he did so, and they granted the request for--ultimately it was for the 27th of June.

They had to postpone it two or three times. The vote was postponed, the briefing was postponed, the dinner was postponed.

. I began to learn that everything slides, that I had to be very careful. And we were originally going to try to have the briefing in May, but it was postponed. So we ended up having it the end of June, which we then ultimately had, but the vote by then was long over.

. Q And the June 27 briefing was the first briefing you had for your supporters with respect to Nicaragua?

. A Exactly.

. Q And that was held at the White House complex?

. A Yes. In the Executive Office Building.

. Q Who spoke at this briefing?

. A Of course, Colonel North gave the now famous slide show, which he had given evidently to god knows how many groups before that. But he gave that briefing and someone from Public Liaison--I am not sure I remember--I don't remember who, because I wasn't there. I came in late because it was raining.

. I brought a woman in a wheelchair and we got in the wrong entrance. And somebody form Public Liaison introduced the thing, and then they introduced Ollie.

. And I got in about half way through the briefing, and Ollie was in the slide show.

. Q When did you first meet Colonel North?

. At that time, that night.

. Q On June 27?

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. A Yes.

. Q I keep having this strange feeling that I met him a week or two before, and I can't place it. I just can't place it. I keep thinking I was taken to his office to be introduced to him, but I just can't place it.

. But I do remember very clearly seeing him that night.

. Q Now, you say that night. The briefing at the Old Executive Office Building was in the afternoon, was it not?

. A I think it was like at six or seven.

. Q Late in the afternoon?

. A Yes.

. Q Then what continued into the evening?

. A We had a program which was a speech by Calero. He was going to speak after dinner. Because the purpose of the event was to give him the check from NEPL for his people. He had his families, he had 20,000 families or something like that, and we were giving him the check for humanitarian aid, were going to present it to him at the dinner, which we did do, but we went across the street to the Hay Adams and people changed clothes and we had cocktails, we had dinner and he spoke, and then we gave him the check.

. Q Did Colonel North attend the dinner at Hay Adams?

. A No.

. Q Did he come to the Hay Adams?

A No.

Q So he did not hear Adolfo Calero speak that evening?

A No.

Q Had the money been raised for this contribution to Mr. Calero before the briefing or were checks presented by your contributors that day?

A Both.

Q Both?

A Yes. We didn't make out the check to Adolfo until late that afternoon, after the mail had come in, because we wanted as much money as we could get for him that day, to give to him that night. So the check was made out, I think, on that afternoon.

Q Do you recall the amount of the check?

A I think it was $50,000.

Q To whom was the check payable?

A [redacted]

Q What is that?

A That is one of the accounts that Adolfo has.

Q Who told you to make out the check to [redacted] [redacted]

A Rich Miller.

Q Did you have any discussions with Mr. Calero about what use would be made of this $50,000?

A He mentioned in his address they were going to buy medicine with it. He talked about the fact that the hospital equipment and tents and whatever they used to put people in were very rudimentary, they would use it for that. They were going to buy food for it, they were going to buy clothing for refugee families.

During his speech he told everybody what the money was going to be used for. We had asked him to be sure to do that.

Q Was there any discussion of weapons?

A No.

Q Did John Ramsey attend this meeting on June 27?

A I don't think he did.

Q Had you participated in a dinner with Mr. Ramsey and Mr. Miller earlier in the spring of 1985?

A Yes.

Q Approximately April?

A Yes.

Q What was the reason for that dinner?

A He wanted to help Adolfo directly, and he was not interested in refugee aid or anything like that. He said that to me. He could care less. He said if you ever get to talk to somebody who is directly involved with the freedom fighters, I would like to help them.

I would really like to help directly. And so in

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our discussions with Rich Miller, he said that one night, that Adolfo would be in Washington for a few days, and I said, oh, my gosh, we have a guy who would love to help the freedom fighters directly, do you think you could arrange to have a free night for Adolfo and I will see if we can get this guy to fly up here and he and Adolfo can talk. And Rich was able to do that.

I talked to John Ramsey and I said, we have got the head of the freedom fighters coming up here for three days, would you like to come up and talk to him about helping him directly?

He said I would be delighted. I will see if I can do that. He was able to come. So he and I, Rich and I and Dan Conrad and Gomez met and Adolfo missed the dinner. But Rich said Adolfo is, I know what they need and I know everything about it and you can talk to me if you want directly because I know everything about it.

Well, John seemed to think that was all right and we had a dinner that lasted I think three or four hours. Gomez and Miller talked extensively about the whole background of the freedom fighter movement in Nicaragua and what the needs were, who was Adolfo Calero, who was UNO, what these people were like and what the goals were of the freedom fighters, and talked about the type of weapons. John is an avid gun guy, and he knows about all types of hunting weapons and everything, so they sat there and talked about different kinds of rifles and pistols and what will be ruined in the rain and what won't be ruined in the rain, why don't they use this?

. It was a very lively discussion.

. At the end of the evening, Rich said, would you like to help financially? And John said, yes, I would like to help Adolfo financially. Rich said, well, you can if you will make out a check to the Nicaraguan Developement Council, it goes directly to the freedom fighters.

. And John subsequently did that and gave I think it was $20,000, and was really pleased to do that.

. Q Do you know if Mr. Ramsey met with Mr. Calero during that trip?

. A Not that trip, no.

. Q Was a tape recording made of a portion of that dinner with Mr. Ramsey that you have been describing?

. A Well, Dan Conrad I thought taped almost all of the meeting. We were going to learn a lot from this. It is the first time--we had never discussed weapons or heard about the different types of weapons to be used and that were needed so I was really fascinated by the discussion. I said to Dan, why don't you tape this and we will see what we can learn, and it was very worthwhile.

. Q What was the procedure used for the taping?

A Put the tape recorder in the center of the table.

Q So it was openly recorded?

A Oh, yes.

Q There is nothing secret about the recording at the dinner?

A No.

Q Was a transcript made of that tape?

A Yes.

Q And that transcript was sent to Rich Miller for his review, was it not?

A Yes. One of the problems with the tape recorder is we had to keep moving it around because it is--it wasn't picking up voices and things like that. So there is some garble. We sent it to Rich in order to get it clarified.

Our secretary couldn't make sense out of some of it and Rich was able to straighten it out.

Q After the June briefing that you had described where you presented Mr. Calero with a check for approximately $50,000, did any of your supporters express any concern about any control over the use of these funds?

A You mean of those who were at the dinner?

Q Or any of your supporters. Was there any concern about the money being used for purposes intended?

A Well, John Ramsey had mentioned earlier, as had Mrs. Newington, who did not attend the din--maybe neither of them attended that dinner--that they were concerned about the money being wasted, money being stolen. It is interesting, both of them said they wondered if all this money was going into the leadership's rumored Swiss bank accounts.

Q That is both Mr. Ramsey and Mrs. Newington?

A Right. This was early in the spring of 1985. I had no idea what they were talking about. I think they were just guessing. I think there was an image, these Latin Americans have an image problem here in this country where everything they get the idea is it goes into Swiss bank accounts.

And that was of concern to me, too. I was very concerned. I had been through the experience, for instance, of a Nicaraguan refugee dinner where I have raised all this money and worked on and off for three months as have other people and they ended up giving $1,000 to the refugees. Where did it go? I know the dinner cost a lot of money and I know they had a very difficult time selling that dinner except through me and I think two or three other people.

If everybody had done what they were supposed to do, we would have been a great financial success. My money ended up paying for everything and I didn't know my money was going to end up paying for everything. So where did the rest of the money go?

I was concerned about that. I had seen that

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happen. Ramsey had mentioned the possibility to Rich Miller as early as April. When we had talked to Barbara Newington, she was concerned that the money go where it was supposed to go.

. Again, both of these people had prior experience with Nicaraguan activities and I hadn't. And I got the impression they had also had some very bad experiences giving money. And this was a concern to me.

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[2:30 p.m.]

And then we had the situation where I made out my checks to the Nicaraguan Refugee Fund. That was one organization. Rich Miller had asked John Ramsey to make out his check for Adolfo to the Nicaraguan Development Council. There was a second organization. Now here in June we are getting ready to give Adolfo a direct check. I'm thinking it's probably supposed to be made out to the Nicaraguan Development Council. I now hear, no, you make out the check to [redacted] That's three. And we have only been involved for 60 days.

And I'm just naturally concerned because we want to help. ~~you~~ and know, which is the right place. I mean we have got three now. So I was concerned.

Q Did you take any steps to alleviate this concern?

A I told--first of all I told Rich that I was--I didn't understand why we needed at least two contracts for Adolfo Calero and that my people had talked to me about their concern about where is this money going and here I said, you know, I share this worry. Here we have one man. We have given two checks to this one man. It's two different bank accounts already. And so I was very concerned about it.

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. Q You said that the first time you recall seeing Colonel North was at the June 27th meeting.

. A Right.

. Q What was your reaction to Colonel North that day?

. A We had been looking for a way to--as you know, for a month-and-a-half we had been trying to organize a briefing and we had been to the State Department to hear one of their briefers brief on Nicaragua, and then there was a USIA meeting or something and they had a briefing on Nicaragua and I don't think it was USIA's presentation. They brought somebody in but Ric~~k~~h said they are doing a briefing like this. Why don't you go see if that ~~is~~ does any good to help you.

. We had been to a meeting at the White House, one of these outreach meetings--actually two of them--where they had briefings on Nicaragua. Ollie North was not there. So we have an experience of at least four different briefings in town on the issue, none of which were any good, none of which left you with any sense of anything, just horrible, boring.

. So when I saw--and I said to Rich Miller in May when we were first appearing for a briefing at the end of May Rich, I have been to these things. You know I'm looking for a good form of communication. Every place I have been it's a disaster. Please see to it that Colonel North's briefing is not a disaster. I said what does he do? And he said well, he has a slide show. I said what are they? What are they like? He said I don't know. I said let's look at them. Can you get them for us ahead of time? Can we see some of these slides?

. Then Rich said he had some of the slides which we looked at and they were very--they were pretty good slides and I said you know, Colonel North ~~is~~ could be a good speaker; this will not be bad, although I hate slide shows. This will not be bad. Well, it turns out that he was pretty good, not nearly as good as I would think you should be, but I watched the people in the room and they were all excited to death. And then he got to the last slide, which is--it's the Nicaraguan freedom fighter buried and there's a wooden cross I think and he suddenly he became so powerfully emotive it was just like his whole spirit exploded. He became tremendously emotional and became compelling in his language and in his presentation just about at the end about the need to save Latin America, to save freedom, that these people were sacrificing for America and for freedom all over the world, and we have a major responsibility to see that the President's policies are successful there.

. And when he stopped and they flipped on the lights, everybody was just riveted to him. And I decided it was a successful briefing, you know. I mean this had really worked. And so when we went over to the ~~head~~quartes that's what they all said. It was wonderful and they thought this Colonel North--some of them had met him before--was wonderful. And so I said to Dan Conrad, it must be wonderful. We have got to be very sensitive to what our contributors feel is good. We are sort of jaded being in Washington anyway. So I said--they talked about him all night long how wonderful that briefing was.

The briefing was very definitely educational. He took you beautifully through the whole situation and prepared you for this very powerful emotional climax. And the organization of the briefing was spectacular. So I said to myself, well, if we ever have another one I hope we get him. I had no idea how you got him because we, of course, had requested the briefing through Public Liaison and in my mind they had 10 or 15 people over at the White House that could pick up the notebook on Nicaragua and run and brief a group at any time, and when they were all used up they took somebody else.

I didn't know that he was--at that point I didn't realize he was that much of a specialist at all. So I said to Rich, you know, we need to thank him very much. He has been--this has been really successful. I wonder if we can get away to ask him to help us some in the future. And that's--that was after the dinner when I saw how successful he had been with all these people that I decided if we could get him again, it would be wonderful.

. Q When was the next contact you had with Colonel North?

. A Well, we arranged to have a later briefing for Mrs. Newington, who could not attend this briefing. Rich called at the White House and found out that Colonel North could brief her in the evening after his work was over for about 20 minutes, I think, or half hour, if she came to town.

. Q Approximately when was that?

. A Just about within a day or two I think of the briefing.

. Q All right.

. A And I called her up and I said I would like you to come down here and hear this briefing and see what is going on and talk to the people at the White House who really know the situation in Nicaragua. Would you do that? And she said well, you know, hemmed and hawed and then she finally said she would try to run down for that. Because I was real impressed with the way the contributors reacted to Colonel North. And so she did come down and he did brief her and she was likewise very impressed with what he did.

. Q Now did you attend that briefing also?

. A I did.

. Q And that was within a few days of June 27th?

. A Very few, two or three one direction or another.

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. Q And so you met Colonel North on the second occasion?

. A I really got to say hello to him more then than I had before because I had 35 people to shepherd out of the White House before and get them across the street and it had rained and I had this lady in the wheelchair and then I was supposed to be over there at the hotel to greet all of them as they came in, and it was very difficult to do that and to thank Colonel North. In fact, when we had the dinner the night of July one of the important points I wanted to make at the dinner was to tell him how much I appreciated what he had done and the time he had taken, would be able to take to help us because by then he would have briefed two--Mrs. Newington alone and the 35 people.

. Q What was the dinner the night of July you referred to?

. A That was the dinner where Colonel North and Rich Miller, Frank Gomez and Dan Conrad and I sat down together and I talked to him about some of the issues you brought out.

. Q Was this a dinner you requested?

. A I asked Rich if there--in the near future is there any way we can sit down with Colonel North--I always like to go out to either lunch or dinner and have dinner and tell him what our plans are, what we would like to do, get some

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input from him, see if in the future we have briefings, because we weren't sure we could, at the White House, how could we insure that we would draw him--was there a way we could do it or--because I really did have the feeling that lots of people were over there briefing and how could we do that. And I wanted to know what his ideas were for a campaign in America to support the freedom fighters. And I wanted to know more about the freedom fighters.

. Q So you scheduled a dinner for the 9th of July.

. A So we were able to get an appointment with him for the 9th of July.

. Q Where did you have this dinner?

. A In the basement of the Adams in the Grill Room down there.

. Q And you covered the subjects that you just described?

. A Yes.

. Q What else did you talk to him about?

. A I talked about--I brought up the complaint that--now he had met Mrs. Newington. He did not know John Ramsey but I had at this point made out these checks to these various organizations and I said to him Colonel North, we are trying to support the freedom fighters and we have contributors who are very concerned about the freedom fighters and what is going on with their money and what will they do with their money. And how do you know what they are doing with their money and is it going--I quoted Ramsey and I said is it going to Swiss bank accounts. People want to know.

We have a lot of Texas givers. They don't have nearly the respect they might have for Latin Americans. These are problems that we have supporting the President. It eventually becomes supporting the President because if people think the President's allies aren't very honest, you're not going to get support for a presidential policy that is benefiting allies that are not honest. I'm not sure how much money you or I could raise in support of Saudez even though the President may think the world of him because we are not sure what they do with their money and we think maybe they have a lot already and maybe a lot stashed away already.

So I wanted to tell him this because among other things, I didn't think the White House understood that this is the way a lot of Americans thought and this was part of the reluctance to support.

Q What did he say in response to this concern that you expressed?

A Well, he said that he understood this, that he had heard this before, that he was well aware of it and since he knew, by the way, some of my good contributors before I met him, they may have talked to him--he knew Ellen Garwood

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before he knew me and he knew Bunker before he knew me and there may have been some other people who belong to this Council of National Policy which he had met with several times that I also knew and they already knew Ollie North. And he said that there was concern out there and he was very well aware of it and as far as we were concerned, when we wanted to give aid, aid checks, just to work it through Rich and Frank, that that is the way we could be sure that the money would go directly to the freedom fighters.

. Q Were you given any more--

. A We said fine.

. Q Were you given any more specific instructions than that?

. A I don't recall.

. Q Did he say pay the money to IBC, for example?

. A No. I don't recall that.

. Q Just work it through Rich and Frank?

. A Right.

. Q And is that the manner in which you came to make further contributions?

. A Exactly.

. Q And how did you do that in the future?

. A We just made the checks out I was going to say to Rich and Frank, but not to Rich and Frank but to IBC.

. Q To IBC?

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. A Uh-huh

. Q And at some point did Mr. Miller instruct you to make the checks to an entity other than IBC?

. A Well, a year later he asked us if you are considering this--is it INTEL?

. Q IBC, Inc. or INTEL Cooperation.

. A That was last year when we were raising this money for food we had sent some money for food over to him and he sent the check back and called me and said would you be kind enough to remake the check to INTEL, Inc. and bring it right back to me, which we did. I thought he had opened an account or something here in Washington called that or was a new account for him. We did not have any idea--which I'm sure you already know--that these checks were going out of the country until we got them back and about a month after we got it back, my accountant called me up and said Spitz, are you aware that this check has been out of the country to INTEL? I said of course it hasn't. We just gave it to Rich over at his office because I was thinking it was a Riggs Bank account.

. He said no, INTEL is a Cayman Islands bank account. And I was really surprised at that. I guess that's what you mean about the other. That happened much, much, much later.

. Q Did you say anything to Mr. Miller after you learned that the check was going to a Cayman Islands bank?

A Yes. We had made out I guess three or four to him.

Q What did he say when you spoke to him?

A He told me that that was an account for Adolfo and that it was perfectly legitimate. He had all the papers and the account showed where all the--what was to be done with it and the board of governors and it was 100 percent legal for us to do that, for him to instruct us to do that. But I want to make clear to you he said--he only told me that like last October or November because very shortly thereafter when this crisis developed and they were talking about offshore accounts, then a lot more came out than I knew.

Q Is it correct that after your dinner with Colonel North on July 9, 1985 where he told you to send the money through Rich and Frank, that all of the funds that you transferred to the Nicaraguan Resistance were transferred either through Mr. Miller's account in the name of IBC or in the name of this other account, which I later learned was in the Cayman Islands?

A Well, there was at least one exception when we did activities--we gave Christmas money for Adolfo's families and I sent the check I think directly to him.

Q Other than that one exception--

A Yes, I would think it would be almost all of them. I think so.

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Q Now at the July 9 dinner with Colonel North you also expressed to him your hope that he would participate in future briefings. What was his response to this request by you?

A I thanked him a lot because he's a federal official and I knew he was very busy and he had taken time twice to help us out, and I was deeply indebted to him and thrilled to death that he did it and really appreciated very, very much, and told him how much I thought of him and what my contributors had done and how wonderful they thought he was, and he inspired them and how could we arrange it if maybe you are free you can do it again.

He told us you just have to go through the same process and he was doing a lot of them and maybe we would get him and he would try if he could to do it. If he had time he would be glad to do it. Then I said well, do you ever fly out of Washington to do briefings? Could we ask you to do that? And he said that had been done also and that his time was not his own, that he had an awful lot to do but once in a while he could do that, but it would just be if he had a free moment, that he was very, very busy.

But in principle he would be delighted to do that. The reason why I asked him about flying out of Washington was because Ellen Garwood had told me he had been down to see the Council of National Policy and brief them and later

I learned from Bunker that he had been down to another national policy council at a different location in the United States, and he had flown down to see them. So they are a very prestigious group of conservatives. So when he said that in principle it was okay with him, I really felt very good about that because I thought maybe he thinks we are almost as worthwhile as this wonderful group is. But he said in principle that it was not against his policies if he had time.

. Q Did he mention any specific briefings that he had done outside of Washington?

. A No. I knew because of what Ellen and Bunker had told me but I don't remember him mentioning something to me. He may have but I just--I know he mentioned that he was--when I asked him about how busy he was, he was saying that he was doing briefings to even people like the women of the Methodist Church at the White House. He said that's how busy we are over here with these briefings.

. Q Did Colonel North conduct a number of briefings for your contributors after this dinner in July of 1985?

. A Yes. We requested one in October and one in November, and he did both of those.

. Q Did he do any private briefings in 1985?

. A Yes. He briefed Ellen Garwood and may I say with private it means not public. He briefed four of our contributors at one time in one of, what I would call private briefings and then he briefed six of our contributors at one time in what I would call a private briefing.

. Q The briefing with Mrs. Garwood, was that in Washington or was that in Texas?

. A He saw her twice.

. Q In 1985?

. A Yes. The one in Texas was not really much of a briefing. She was there about ten minutes.

. Q Was that a meeting at the airport in Texas?

. A Yes. She came out just to say hello to him. He talked to her for a few minutes.

. Q There was a second meeting--

. A Her first one was here in Washington the 18th of September or August.

. Q And when was the meeting at the airport in Texas?

. A I think the 10th or 11th of September.

. Q You mentioned that he also met with two other small groups of your contributors?

. A Yes. I tell you I get these two briefings--they are a month apart and I keep getting the dates confused as to when he met with the groups. One group was the Pentacosts from Texas and there were two of them and then there was Mrs. McKinley from Texas and the Brandons, Mr. and Mrs.

Brandon from Georgia. That was one. I'm sorry I just don't know the date. It was either October or November.

Q That was in Washington, D.C.

A Yes. That was in a larger room. And then he met with Mr. Ramsey and Mrs. Adamkiewicz, and Mrs. Christian, and during both of those meetings I was there and he also met with them.

Q And that again was in October or November?

A Yes. They cannot occur at the same meeting. One group met with one briefing and one group met with the other. I can't remember which one it was.

Q And that was again in the old Executive Office Building?

A Yes. There's sort of a committee room close to his office where you can handle more than two people and we went over there. It hasn't been dusted since the Second World War. I mean it hasn't been.

Q You mentioned other briefings in October or November. Does that mean there were larger group briefings?

A Yes. We had formally requested from the public liaison office.

Q So just to summarize, there were two larger briefings?

A Yes.

Q There was a briefing in Washington with Mrs.

Garwood.

A In August.

Q There was a second briefing with the Ramsey, Adamkiewicz and Christian group and there was a third small briefing with the Pentacosts, McKinley and Brandon group.

A Right. Six.

Q Were there any other briefings by Colonel North in 1985?

A That's--I think that's it.

Q Did he meet with Mr. Hunt in 1985?

A Yes. He flew down there and that's when he saw Ellen.

Q In Dallas?

A Yes. That was the same evening.

Q And he had dinner with Mr. Hunt and with you?

A Yes, yes.

Q I'll come back to that later, but other than identifying that meeting can you think of--

A I didn't consider that--I thought you were talking about Washington meetings.

Q Were there any others outside of Washington?

A Other than that one, that was it.

Q Okay.

While we are on the subject of briefings by Colonel North, turning to 1986 and just focusing on the larger group

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briefings, do you recall the dates or the approximately dates of those in 1986?

A We had the big one with the President.

Q That was in January?

A Yes.

Q Now other than that, what briefings did Colonel North participate in?

A Well, there were two that were very small that we had requested through public liaison. I think it was in March and April. They were not very successful. I mean people just didn't come.

Q And am I correct that in 1986 Colonel North had a number of smaller private meetings with your contributors?

A Right, right.

Q Mr. Channell, did a pattern develop with respect to the larger meetings or briefings by Colonel North in that they were held in conjunction with meetings of your contributors at the Hay-Adams Hotel? Did you arrange for the contributors to stay at the Hay-Adams Hotel when they came to Washington for these briefings?

A If we could.

Q And were there normally receptions or dinners at the Hay-Adams that followed the briefings?

A Yes. We always had a program after the briefing. Colonel North was simply supposed to give a military and

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political update about Nicaragua and that's what his role was in these evening events and that's all he did.

. Q Now, who explained to him his role, if anyone? You said that was his role or that's what he was supposed to do. Is this something that was discussed among you or how was this worked out?

. A No. We continued to request he be able to give his slide show and that's what he did. That's all he did.

. Q From your point of view, was the purpose of these briefings to serve as an aid to raising funds?

. A It was--well, there were many purposes. Any time an official from the White House talks about an issue that a group in this country is supporting, you're going to receive greater support, anybody. I have been to meetings where people whom I did not know existed would come as someone's assistant assistant assistant and talk about an issue and people would say well, that's--the President supports that. He sent this representative, wonderful. You are helping, good. Our money will be a little bit higher because of that.

. This briefing that he did, this slide show was obviously very convincing and very supportive, no doubt about that. And it woke a lot of people up. And that was very supportive. Being able to take people to the White House for this educational event and then bring them back across the street where we had our own program and our own fires to flame, having them over there, give the education--we didn't have to do that and having someone do it really well was even better. So that was an important role for him and he helped us not insubstantially by acting in that role in such a superb way. There's no doubt about it.

. Q Was it your practice at the meetings with the contributors generally at the Hay-Adams Hotel following the briefings to ask for contributions to your organization?

. A Yes. We only had the briefings in order to have--to carry on part of our program farther, our NEPL program.

. Q In the briefings by Colonel North that you attended, did you ever hear him ask the persons attending to contribute any funds to your organization?

. A You mean at the White House?

. Q Yes.

. A No.

. Q Did you ever have any discussions with him that he could not do that or that he would not do that?

. A No.

. Q Do you know if he was aware that you were requesting contributions at the Hay-Adams following these briefings?

. A Oh yes, sure.

. Q How do you know that?

. A Well, in the private briefings that he had with our contributors, he was aware that these people had already been giving to us for Central America before they met with him. Now he didn't know whether it was at the Hay-Adams or whether I called them on the phone last week or whether I had been down to Texas to see them, but he was aware they were active contributors to our Nicaragua program. I'm not sure if I ever said Ollie, person A gave X amount to us at dinner. I don't think I ever did that. But he was aware that these people were helping us with our Central American freedom program.

. Q Did you ever make any sort of report to him to the effect that your briefing in October, 1985 resulted in contributions of a certain amount of money to our organization?

. A Yes. That particular example, no, but several times when people would give checks or something I would either call him and say you won't believe what we have received from X person. I would inform him from time to time of the success that we had had.

. Q Would these be following both the individual briefings and the group briefings or was there any pattern?

. A I don't think there was any pattern. Some people, for instance, would say I would like to give you $10,000 and I'm going to do it in two months or I would like to give you a hundred thousand. I'm going to do it next month and I wouldn't--I wouldn't call him unless I was really happy about something, having received it. So it might not have any relevance to a briefing as far as time goes. But I did call him with that information when it happened.

. Q Do you recall specific instances of telephoning Colonel North and reporting that a substantial contribution had been made following his individual meeting with one of your contributors?

. A Oh yes, sure.

. Q On more than one occasion?

. A Probably.

. Q Now do you recall a similar report to Colonel North following a meeting that he had had with a larger group of your contributors?

. A I'm sure we did. It just doesn't stick out in my mind.

. Q You don't have a specific recollection at this point?

. A No, mainly because we didn't--the money would not often be there the day after, you know. It would trickle in over a period of time and so I think unless something major happened, it would have been unnatural for me to have called him after a meeting and say we raised so much money at this time. We just didn't do that. The only time where we did

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do that was the one meeting in January where we asked people for money immediately to start our work and a lot of people sent money in ahead of time, and some people brought money with them and some people sent money very shortly thereafter. And I know I told him that we had raised a substantial amount at that meeting because of that meeting.

. Q You worked out a program, did you not, where Colonel North would write letters to your contributors in substance thanking them for contributions?

. A Right.

. Q Mechanically how was that done? Was that done through Mr. Miller?

. A Yes. From what I understand, because I have never asked him specifically what he did afterwards. I know generally. The White House would wait until there were a certain number of people to that and they would say--they told Rich don't send us one or two names. Wait for a month or two or three until you have a big list and you will send the list to us at one time and if Colonel North can, he will write a thank you letter. Sometimes he was able to write within the week. Sometimes the letters were two or three months late.

. Q Who drafted those letters?

. A I don't know.

. Q I take it you did not?

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. A No.

. Q You don't know whether or not Mr. Miller did?

. A I don't know.

. Q Was it a general practice that you would receive copies of the letters?

. A It was a general goal that we do that. We didn't.

. Q You received copies of a number of them?

. A I think two or three clumps in a year or so, yes, but not like you are intimating like I desired. It wasn't at all systematic or methodical.

. Q The ones that you did receive, were they sent to you by the White House? Or did you obtain them, for example, from Mr. Miller?

. A Well, I know I obtained at least one packet from Rich. They gave them to me. I think I picked up a packet one time from Fawn when I was over there. They are just Xeroxes of the letters.

. Q By Fawn, are you referring to Fawn Hall?

. A Yes.

. Q Is she the one you had requested give you copies of the letters?

. A Yes.

. Q And you succeeded in getting some and you had not succeeded in getting others?

. A Right. Sometimes it was important to them.

Sometimes it was eminently forgettable to them.

Q So to summarize, the practice at these briefings is that Colonel North would make a presentation of the situation in Nicaragua.

A A slide show.

Q A slide show. Following that you would meet with your contributors and request contributions--

A For our programs.

Q --for your programs. Following that you would report to Colonel North significant contributions that had come from your supporters and following that, there would be a procedure whereby Colonel North would send thank you letters to your contributors, is that correct?

THE WITNESS: That's all true.

BY MR. FRYMAN:

Q Mr. Channell, in the private meetings that Colonel North had with certain of your contributors, did there come a time in some of those meetings where there was a discussion by Colonel North of particular weapons needs of the resistance fighters in Nicaragua?

A Yes.

Q How did that subject first come up in any of those meetings to your understanding?

A I never thought about how it came up. I really--the first time had happened, I really think he just moved into it, ~~nationally~~ naturally, about the needs of the freedom fighters in general.

Q Had you asked Colonel North to develop lists of items needed by the resistance fighters that totaled certain amounts of money to present to certain of your contributors?

A That happened one time. I didn't ask for it, but someone on my staff asked for it.

Q Who was the contributor?

A That was a contributor, Bunker Hunt.

Q Who was the person on your staff who asked for it?

A Conrad.

. Q What was the amount of money?

. A I think it was $5 million if my memory is right.

. Q Had you suggested that amount of money to Mr. Conrad as a possible contribution by Mr. Hunt?

. A Well, that was a fantasy. I knew he wouldn't give anything like that, but I had based that figure, frankly, on the fact that I had recently found out he had given $10 million to the Dallas Museum of Art. What that has to do with what he would give for Nicaragua was in my own head. I had no idea. I figured maybe he could be persuaded to give a major grant.

. Although, as you well know, no one ever gave what they were asked to give, and we knew that.

. Q But $5 million was an objective?

. A Was the budget, yes.

. Q Did you ask Mr. Conrad to relay this objective to Colonel North?

. A Yes, I asked him to work out a budget with Ollie.

. Q What do you mean by work out a budget?

. A Well, I had no idea what Colonel North might think the freedom fighters needed for $5 million and how much each item the freedom fighters needed would add up to $5,000.

. Q Five million dollars?

. A Five million dollars. And that is why he did it.

. Q So in response to this request by you relayed through Mr. Conrad, did Colonel North come back with a $5 million budget to present to Mr. Hunt?

. A Yes, he did.

. Q Was this given to you in writing?

. A No.

. Q How was it given to you?

. A It never was.

. Q How as it presented?

. A You mean at the Hunt dinner?

. Q Was it presented directly to Mr. Hunt for the first time?

. A Yes.

. Q You had not seen that before the presentation to Mr. Hunt?

. A No. Nor did I know anything on it. I just knew Ollie was going to bring the budget with him, that he had done that task.

. Q So the steps were the following. You set $5 million as a fund-raising objective.

. A Right.

. Q As a contribution from Mr. Hunt. You left it up to Colonel North to develop a list of specific items that totaled that amount.

. A That is correct.

. Q You arranged a dinner meeting with Mr. Hunt to present this, ''budget.'' Is that correct?

. A That is correct.

. Q Is it correct that this meeting was held in Dallas?

. A Yes.

. Q I believe you indicated earlier that the date of the meeting was September 10 or 11, 1985?

. A Yes.

. Q And the persons attending the dinner were you, Mr. Hunt, Colonel North. Did Mr. Conrad also attend?

. A Yes.

. Q Was anyone else present?

. A No.

. Q At this dinner meeting, did Colonel North present the budget or list of items that totaled $5 million?

. A Yes.

. Q How did he do this?

. A We sat around a circular table and he sat to Bunker Hunt's left and he was talking to Bunker about Latin American politics and what the freedom fighters were doing, and then he pulled out this list that he had, and as we ate dinner, I think we went straight down the list, although I was across from him and never saw the list. Like I can't read your writing, I couldn't read his either. And as we had dinner, he went over either all of the items on the list or various items on the list, saying why these items were chosen and what the freedom fighters would do with it and saying there was a need the freedom fighters to attain these things, this would help if the freedom fighters could get these things. This would help the freedom fighters in their struggle.

Q When you looked over the table and saw the list, could you tell if it was a type-written list or a hand-written list?

A I recollect that it was a hand-written list.

Q And you recall Colonel North describing items on the list to Mr. Hunt?

A Yes.

Q What items do you recall?

A He talked about various types of ammunition, which I can't remember, ammunition. He talked about three different types of airplanes, the Maule aircraft, which he brought with him a brochure of, a Dehaviland aircraft. I can't remember what that meant, and then something else. These aircraft were all very good at flying low and slow and dropping supplies.

He talked about food and the regular food and medical supplies and all types of humanitarian things--medicine, and he talked about, I think, it was a certain type of grenade launcher. I have forgoter even a few of the things. Those were outstanding.

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. Q Prior to this dinner, had Colonel North discussed with you what items would be on the list?

. A No.

. Q Were you surprised that the list included military equipment?

. A No.

. Q Why not?

. A Because he had already talked about military equipment to Ellen Garwood in August. This was two weeks, a little bit more than two weeks before we were in Texas. Eighteen days.

. Q That was the meeting at the White House?

. A Yes.

. Q What items of military equipment had he discussed with Mrs. Garwood in August?

. A He had talked about planes to her.

. Q The same three types of planes?

. A No, I just think it was the Maule aircraft.

. Q Anything other than planes?

. A Yes. He may have mentioned a certain type of missile. And again, I get confused with these types of missiles.

. Q In the conversation with Mrs. Garwood, had he specified any dollar amount needed for the different items that he referred to?

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A The price on these planes was $60,000, and I think these missiles were 20,000 each, 18 or 20,000 each.

Q And he had mentioned those prices in the August 1985 meeting with Mrs. Garwood?

A I think so. I am not sure, but I think so. I have known these things for so long, I am not exactly sure when he said it. But I think that is one of the times he said it. I just have to say I am not sure, but I think so, because she subsequently made out a check and she would have known what for before she did it.

Q She made out a check after the August meeting?

A Yes.

Q And it was your understanding that the check was for one of the weapons items that he had referred to in that meeting?

A Right.

Q And was that one of the sums of money that you relayed to Mr. Miller's account in the name of IBC?

A Yes. Later. And that would have been part of what we would have given.

Q Had you been aware that Colonel North was going to discuss weapons with Mrs. Garwood in advance of his meeting with her in August of 1985?

A I don't recall that. I don't recall that.

Q So when you met with Mr. Hunt in Dallas in

September of 1985, there had been the prior discussion of weapons with Mrs. Garwood. Had there been prior discussions of weapons by Colonel North with any of your other contributors other than Mrs. Garwood?

. A No.

. Q So the discussion with Mr. Hunt was the second time--

. A That's right.

. Q --you mentioned weapons, at least in your presence?

. A That's right. In my presence, that is right.

. Q And in the meeting with Mr. Hurt, Colonel North reviewed each of the types of weapons that you have described, and he indicated a dollar amount with respect to each type of weapon, and he indicated that there was a need by the resistance fighters for that type of weapon; is that correct?

. A Yes.

. Q Did he ask Mr. Hunt to contribute funds for those weapons?

. A No.

. Q Do you know why he did not?

. A Well, he had made a policy of saying to ~~[illegible]~~ all people, ''I can't, as a Federal official, I am barred from asking for money. I can't do that.'' And that's why he didn't.

. Q You say he had made a policy of saying that. I believe you have indicated that prior to the meeting with Mr. Hunt in September you had seen Colonel North at the June 1985 briefing and the June 1985 private briefing for Mrs. Newington, and the August 1985 private briefing for Mrs. Garwood and those were the only occasions other than your dinner with him on July 9.

. A Right.

. Q Now, had he on those occasions indicated that he had a policy as a Federal official that he could not ask for money?

. A Yes. And I knew that when we were at Bunker's, and then he said it, and he had said it several times before.

. Q Did he say that specifically when you were meeting with Mr. Hunt?

. A Yes, he said it then. And he said it with Ellen Garwood.

. Q Did he say it with Mrs. Newington?

. A There was no solicitation of Mrs. Newington.

. Q Did he say it in the group briefing in June?

. A No. But he did mention that fact at the dinner on the nineth of July. Of course he couldn't ask for money--wouldn't ask for money because he was a Federal official. I was aware of this; that he couldn't and wouldn't before we went to Dallas.

. Q What was your response when he said this to you at the dinner on July 9?

. A Well, I assumed that he was telling me the truth. He couldn't because there was some law that federal officials can't ask for money for, you know, can't support this type of thing by asking for money, so I figured that's probably right.

. Q Did you say in substance that that did not present a problem because you would be asking for the funds?

. A Did I tell him that?

. Q Yes. In substance.

. A Yes, I am sure of that. Yes. But he also had another practice, which was to say to people, ''I can't ask for money because I am a Federal official. If you want to help, you should give to NEPL or give to Spitz' organization.''

. Q And that in substance is what he said to Mr. Hunt--

. A Yes.

. Q --at the dinner in Dallas.

. A That was just a normal comment many times.

. Q What did Colonel North do with the list that he used during the discussion with Mr. Hunt at this dinner we have been discussing?

. A He just took it home with him, I guess.

. Q Put it back in his pocket?

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. A Yes.

. Q At the dinner, after he reviewed the list with Mr. Hunt and he made the statement that he could not ask for funds himself, but contributions could be made to NEPL, or words in substance to that effect--

. A Right.

. Q --what happened next?

. A He absented himself from the room. He left, and--

. Q Had that been pre-arranged with you?

. A Yes, yes.

. Q How had you done that? Is that something you had discussed on the plane ride?

. A I didn't fly with him. I was already in Dallas, you see. I don't exactly know, but he knew to do that. I don't know how. I couldn't remember it, but anyway, then I asked, I said to Bunker, ''Ollie has said we need to support the freedom fighters in this way, this amount of money. Would you care to make a contribution in helping in any~~body~~ WH?'' And he said he would think about it and get back to us. And then he and I walked out of the room together. And--

. Q You and Mr. Hunt?

. A Yes. And then Conrad, because this was late, relatively late at night, and if you know Dallas after 8 o'clock there is no traffic in town. ~~Dan~~ I said ~~I~~ Dave had better go downstairs and get a cab to go back to the airport

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because it is going to take a while to get one because there is no one downtown anymore.

So he left himself and went downstairs and tried to flag a cab. We were up 40 stories. That's why he left to get transportation for us back to the airport.

Q Did you and Mr. Hunt and Colonel North have a further conversation together that evening?

A Yes. We went out and lounged, whatever--there were some banquettes around the wall. They sat and talked awhile and discussed the freedom fighters and Latin America politics and lots of people in Latin America they mutually knew. I kept walking back and forth to the window trying to look down to see if I could see Dan Conrad with the cab, because I am not even sure he could get back in the building to come up and get us as soon as I saw a cab, because we were anxious for Ollie to get back to the airport and fly back to Washington.

This was done after hours, taking his free time to do it. I was watching constantly, and I was just hearing snippets of the conversation. That's what I did.

Q Are you aware if there was any further conversation of the weapons needs and your request for a contribution by Mr. Hunt?

A I don't--I didn't hear that if there was.

Q Did you talk to Colonel North further about this on your way back to the airport?

A No.

Q Did you tell him you had made a request of Mr. Hunt?

A Oh, yes.

Q What was his response?

A Well, I told him, I simply said I have asked for $5 million from Bunker. I am sure he wasn't going to give it, but he did seem interested to help and he said he would get back to me next week with his decision.

Q Did you ask for $5 million?

A That's what the budget was. I didn't say to Bunker, ''Ollie has a $5 million budget. Why don't you give less.'' I just asked him if he would like to help, they needed the whole thing, and--off the record.

[Discussion off the record.]

MR. FLYNN: Read back the last answer.

[Whereupon, the last question was read back by the reporter.]

THE WITNESS: So he said he would think about it. I said to Ollie, he said he would think about it. He was interested in the airplanes, and he will get back with us next week.

BY MR. FRYMAN:

Q What was Colonel North's response?

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. A I don't remember that ~~I~~ had any response. If I may say, I think he felt that he hadn't presented this very well.

. Q Did he say anything to you that indicated that?

. A No. I just--Bunker seemed distracted during that entire evening, and Ollie spoke many times as if he was trying to capture Bunker's attention, and I just think he felt that he hadn't made his case very well.

. Q Did Colonel North fly to Dallas by private plane for that trip?

. A Yes, he did.

. Q Did NEPL or one of your organizations pay for the flight?

. A Yes, NEPL paid for it.

. Q Do you know how much that cost?

. A I guess it was $8,000 or $9,000.

. Q Did anyone else come with Colonel North?

. A No.

. Q Did anyone fly back with him?

. A No. See, the original goal was to have him spend the night and be able to speak at the Singlaub conference the next morning; have him there and be able to speak early, and we hoped we could get him to do that, and just at the very end he said, ''I can't stay. I have to fly back.'' We were going to have Ellen Garwood introduce him. It just didn't work out.

Q Was the intention always NEPL would pay for the plane?

A Yes.

Q You indicated earlier he also met with Mrs. Garwood at the airport?

A Yes, he did.

Q What was discussed with Mrs. Garwood?

A He discussed--I was not there with them very long. I was just there for part of the meeting. And I frankly can't remember precisely what he mentioned. I think at that time he was talking also about airplanes a lot. And she subsequently gave, later on to help purchase a small Maule aircraft, because of the conversation with him.

Q Did Mr. Hunt make a contribution following this dinner?

A A week or so later we did get, made out to NEPL two checks for $270,000 each from a law firm that Bunker has something to do with. And with one of the checks was loan to NEPL for $270,000, which we later returned because I wasn't--I didn't like being loaned money. I didn't think that was right. I had no idea whether NEPL would ever have the money to repay it. And I was very uneasy. I just didn't like it at all, so I just sent it back.

MR. FLYNN: What were the figures again?

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MR. OLIVER: Two thirty-seven, five.

THE WITNESS: Two thirty seven-five. I got all the numbers right. ~~237-5~~. $237,500

BY MR. FRYMAN:

Q And you returned the loan. Was there a further contribution from Mr. Hunt?

A You mean at that time? Many months later.

Q Yes, following your return, following your return of the funds in '86.

A In 1986, he sent almost the same amount, I think, about four months later, five months later.

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RPTS MCGINN

DCMN SPRADLING

[4:00 p.m.]

. Q Did Colonel North discuss specific weapons needs with other of your contributors in addition to Mrs. Garwood and Mr. Hunt?

. A At the meeting, the small meeting with Mrs. Christian and Mr. Ramsey and Mrs. Adamkiewicz, he discussed the need for missiles for the freedom fighters.

. Q That was the meeting in October or November?

. A Right.

. Q That was in the old Executive Office Building?

. A Right.

. Q Did he discuss the cost of these missiles?

. A He mentioned the cost.

. Q And is that the $20,000?

. A Again, that's the 18 or 20 thousand, right.

. Q And he described the need of the resistance for these missiles?

. A Yes.

. Q Was that in connection with--

. A The Hind helicopters were evidently coming on line about this time, and this was really putting the freedom fighters in the very defensive posture and these missiles

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would be able to counteract that if the freedom fighters knew how to use them.

. Q Did he mention any total dollar amount that was needed for these missiles?

. A Well, it was--I forget what it was. It was like--I don't think he did then, but eventually it became like--for a certain type of missile it was a million two for a whole set and I'm not sure he mentioned that at that time. I did eventually come to learn that for a million two you could get a certain number of missiles and that that's how--I learned that they were to be bought like that.

. Q But you don't believe that discussion occurred at this meeting?

. A I don't recall that, no. Nobody at this meeting would have the financial power to scratch the surface for that anyway. But that may be irrelevant.

. Q Did he make a statement at this meeting similar to the other statements that you have described to the effect that he had a policy as a federal official that he could not ask for contributions, but if they wanted to give money, they could give it to the Channell organization?

. A Yes, sir.

. Q Did any of these individuals, that is Mr. Ramsey, Mrs. Christian or Dr. Adamkiewicz, make a contribution following this meeting?

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. A Dr. Adamkiewicz did eventually and Mrs. Christian did eventually.

. Q Was it your understanding that those contributions were to be used for the purchase of these missiles that Colonel North had described?

. A Yes. The goal was to be able to--they didn't make a big contribution so if you put their contributions together, you could have bought a missile.

. Q Did you report these contributions to Colonel North?

. A I don't recall that I did.

. Q Did you report to him the contribution from Mr. Hunt?

. A When it came or right after it came, yes, we did.

. Q And did you also report to him the contribution that you described from Mrs. Garwood following her August meeting with Colonel North?

. A Yes.

. Q Your answer is yes?

. A Yes.

. Q Were there any other meetings between Colonel North and your contributors in the fall of 1985 where he discussed weapons needs of the resistance fighters?

. A [redacted]. He met with Patty Beck, Patricia Beck from Texas, and discussed missiles with her.

. Q Where was that meeting?

. A In the White House.

. Q I take it you were present?

. A Yes.

. Q Who else was present?

. A No one.

. Q Was that discussion similar to the presentation that he had made to Mr. Ramsey and the others?

. A These discussions about missiles really were keyed by the introduction of the Hind helicopters.

. Q And did he mention the cost of approximately $20,000 a missile?

. A I don't recall that he did. She had given a contribution or pledged a contribution the night before, and I had mentioned that to him, that she was already going to be giving and I don't recall him telling her how much these cost.

. Q Well, what did you understand was his objective in mentioning these missiles?

. A I wanted her to have--specifically Mrs. Beck--I wanted her to have a private meeting with him to get to know him. That was the purpose for her and she had already said that she would give and he just briefed her more--talked in much more detail about how useful and how successful these missiles could be against the Hind helicopters, how important this was for the freedom fighters.

Q Did you understand he was explaining to her that her contribution would be used to purchase these missiles?

A She had given for missile purchases.

Q How do you know that?

A Because she had been asked for missile money the night before.

Q By whom?

A By Mr. Smith, Cliff Smith. And so she had already--he was briefing her in detail on the usefulness of those missiles.

Q Where had the meeting the night before occurred?

A Well, Mr. Smith had talked to her in the dining room or in the lobby of the Hay-Adams Hotel. I'm not exactly sure where but in the Hay-Adams Hotel in a public room. That's where we were having our dinner.

Q Was this in connection with one of the group meetings?

A Right.

Q And I believe you mentioned there was one in October and one in November. Do you know which this was?

A I'm going to have to ask Alexia to check the names. I always get these confused. I don't want to make a mistake.

Q Just relying on your recollection, it was one of the fall 1985--

A One of the two, right.

Q And during the meeting in the evening your associate, Cliff Smith, had had a private discussion with Mrs. Beck about the need for these missiles to resist the Hind helicopters.

A Right.

Q And he had spoken to her about the cost of the missiles being approximately $20,000 a piece.

A Yes.

Q And she had indicated she would make a contribution to purchase missiles.

A Yes.

Q Is that correct?

A Well, I'm not sure it was missiles but she did say to him--he related to me--she said she would give $40,000.

Q Which you understand.

A I assumed that was toward a missile budget.

Q To buy in essence two missiles?

A Yes, that's right.

Q And then you were able to arrange a private meeting with her the following day with Colonel North?

A Exactly.

Q Was that meeting with Colonel North set up after she had made the commitment to Mr. Smith to contribute $40,000 for missiles?

. A Yes.

. Q And at the meeting with Colonel North the next day, he made a presentation about the importance of missiles to the resistance.

. A Exactly.

. Q Do you know if he had been informed in advance of that meeting about her contribution of $40,000 to acquire two missiles?

. A I have a sense that he was. I didn't do it but Cliff might have been able to call him. But I don't know. I didn't. I just had a sense that he was. He didn't mention it to me.

. Q Do you know how the meeting with him was set up for the next day?

. A We arranged it through the office, his office.

. Q Did you do that or did Mr. Smith do that?

. A I don't think I did that. I think someone else did it, either one of our secretaries or Cliff. I can't remember being on the phone doing that. I very rarely would do that anyway.

. Q Would it be unusual in your view for Mr. Smith to speak directly with Colonel North about a private briefing for a contributor?

. A Yes. But it happened.

. Q There were occasions where Mr. Smith had those conversations?

. A Yes. But it was not normal.

. Q What other contributors, to your knowledge, had private discussions with Colonel North in 1985 about weapons?

. A Well, we had a fellow here from California who did not give--was not interested at all. His name was Ferguson. Ollie met with him and talked to him about--I think it was also missiles. He listened very carefully and said yes, I hope they get them and something like that, but he didn't give anything. And then there was--

. Q Was this Ceroy Ferguson?

. A No. He is from Dallas. This fellow was from California.

. And then there was a meeting with Bill O'Neil in which military equipment was also brought up, but he wasn't interested in that either, and didn't give anything for it. He gave money but it wasn't for--it had nothing to do with that. As you see, we had several contributors who were very interested in our program, just our program, and they liked the attention of Ollie, but it just didn't wash with them, for whatever reason.

. Q When you say just our program, what are you referring to?

A I mean if Ollie would talk about military equipment or humanitarian aid for the freedom fighters these people might not be turned on by that. They were turned on by our program, our television for education and then later they were turned on by the lobbying efforts and they were not interested in giving--they wanted their money to stay here and be used for either an educational purpose or a lobbying purpose, and we had several contributors that gave a lot of money for that. Then we had some contributors that gave because of Ollie as well as giving money directly for our program also.

So sometimes I have to separate that. When you are saying did he ask for money, because the people--some of the people we talked to, it just didn't jell or they just didn't care, it left my mind because they didn't give to that at all.

Q What other contributors, other than the ones you have identified, did Colonel North discuss weapons with in 1985?

A He talked to the ~~Warrens~~ Warms but that was not for weapons. That was discussing radios. They have, as you know, a home in Honduras. He talked to them about the need to acquire radios for the freedom fighters to communicate with them. But there were no weapons. I think--you may have some other names. I would be glad to entertain them.

Q Did he ever speak with Mrs. Newington about weapons?

A In December--either November or December we had a meeting at the Hay-Adams Hotel where it's my recollection--I wasn't sitting with them the whole time but he had brought a notebook with him and he discussed either weapons and/or airplanes with her. And I think he discussed missiles with her but I am not sure. But I do not, he discussed airplanes with her because I was there for that. But I haven't been able to remember if there were other things.

Q What type of planes?

A He had these Xeroxes of these three types of planes, these slow planes where the backs opened up and you could deliver things. You could drop things out at very slow speed and they could parachute into the jungle with, you know--not get torn up and the planes were evidently rather quiet. He asked about these, discussed these a lot. This was something that really--evidently they needed a lot of these. I know he actually at one time said we had been the cause for purchasing seven, eight of these small planes and at least one of the larger planes at one time. But this was something that he discussed frequently with people.

Q Had there been any discussion with Mr. Miller in advance of this meeting with Mrs. Newington about seeking a specific dollar contribution from her?

. A I remember doing that and I don't know whether I said we should try to have a project where we can raise a half million or a million dollars, but I remember discussing the need to have a budget or a project to discuss with her. I can't remember the amount but I remember doing that because Ollie brought with him when he came to see her this--it wasn't a notebook. Sort of like a picture album with--he sat beside her and showed her these things and talked about the different items with her and as I said, I wasn't close enough. I was on the phone part of the time so I didn't pick it all up, but I had a discussion with Rich sometime before she got there. It couldn't have happened otherwise.

. Q Was this meeting in her room at the Hay-Adams?

. A Yes, yes.

. Q And Mrs. Newington was present. Colonel North was present. You were present. Was Mr. Miller present also?

. A Yes.

. Q Was anyone else present?

. A I don't recall that anybody else was there.

. Q And there was some sort of visual presentation to her at this meeting.

. A I guess you mean the picture album.

. Q In the nature of picture albums or drawings or something.

. A Yes, that's right.

. Q And you recall a discussion of the need for airplanes and you believe there may have been a discussion of the need for missiles as well.

. A That's right. I'm not sure. I don't know why I think that, but I thought there was.

. Q Was a specific dollar contribution asked of her during this meeting?

. A I don't remember that. I asked her myself for a contribution but it was not--it was just part of--I don't know how I did that. I think I asked her for like a million one or a million two or a million three, but it wasn't for one thing. But I asked her and she could not give it all and she subsequently sent us several checks.

. Q Did she give that amount over a period of time?

. A Yes, but there were other things that intervened there. I'm not sure--I have never credited that meeting to more than two of the checks that came in. There were other things that intervened that we had to do.

. Q Did you consider that--

. A But I asked for the money myself.

. Q Did you consider that she made contributions following that meeting for the purpose of purchasing missiles or acquiring airplanes?

A I think at least four or five hundred thousand of the money she gave was for what Ollie had talked about. This was at a time when we were asking her for support money for our educational program and she gave to that. The checks were very close and we were giving her the total budget for that and she was giving just some large checks for that, which we used for that program immediately.

So I think there would be about two checks that might be credited to--

Q What is the basis for your belief that four to five hundred thousand dollars of her contributions were for the items tha Colonel North had described in this meeting?

A I think that's the amount that came in very close afterwards and before we asked her to help with these other projects. But I know she sent at least that amount very shortly thereafter.

Q Did you report that contribution to Colonel North?

A I think some of this was in stock, which I showed to him one day when we were in the White House at some other meeting. I had just gotten it in Federal Express as I was walking out of the door of my apartment and while we were at the meeting I opened it up and here was all this stock, a lot of stock. And I said to Dan Conrad, I think I'll go up to Ollie's office and show him this stock and see if he's ever seen anything like this before. I did--we were there just a minute or two and I showed him the stock we had gotten and he was very impressed. He seemed to be very impressed.

. Q Was there any discussion that this is what she had contributed in response to his presentation at her hotel room?

. A Oh, I'm sure we mentioned that. I may have even asked him to call her and thank her.

. Q Can you recall any other discussions between Colonel North and any of your contributors concerning weapons in 1985?

. A I don't know. I think that's it.

. Q In April of 1986 did you and Colonel North meet with Mrs. Garwood at the Hay-Adams Hotel and discuss need for funds to purchase weapons?

. A Yes.

. Q Was that meeting in the bar of the Hay-Adams Hotel?

. A The grill.

. Q The grill of the Hay-Adams Hotel? Was there a list of weapons that Colonel North referred to during that meeting?

. A Yes. He brought a list with him.

. Q Do you recall what was on the list?

. A I think there was something like $700,000 in food. There was ammunition also on that list. There was at least two types of grenade--like M-9 grenade launchers or something that he had on there. I can't recall other things.

. Q What was the total dollar amount of the items on that list?

. A I thought it was--I don't remember precisely--over $2 million.

. Q Did he leave the list with you?

. A He either gave it to me to give to Ellen or he gave it directly to Ellen. She asked if she could have it to take back to Austin and there was no problem with that. I don't know whether he gave it to me and I handed it to her or he just handed it to her.

. Q Had you seen the list in advance of the meeting with Mrs. Garwood?

. A No.

. Q Did Colonel North ask Mrs. Garwood for a contribution to acquire the items on that list?

. A No.

. Q Did he make a statement similar to the statement you have described that he made in other meetings?

. A Yes.

. Q In substance, what did he say?

. A He said exactly what you have indicated, that as you know, I can't ask you for any money. If you want to help, just give the money to Spitz.

Q And after that did he leave?

A Yes.

Q And did you ask Mrs. Garwood for a contribution for those items?

A Yes.

Q And what was her response?

A She said that she wanted to help and that I knew that she would help and that she would do everything she could to help, but of course she couldn't give as much as Ollie wanted and that she would have to check with her banker tomorrow and see what she could do and that she would talk to the people when she got back to Austin and see how much she could give. But she definitely wanted to help and she called her banker--if you don't mind me continuing this--

Q No.

A She called her banker early the next morning and she told me then later in the day that she would be able to help substantially and then later the next week she said that she could send I think it was a million four or something like that or a million six.

Q Aside from the exact amount, she made a very substantial contribution within the next few days?

A Yes, she did, yes.

Q Did you report that contribution to Colonel North?

A The next week I think--I did call him within the next two or three days. He inquired of me I think before then if she was going to be able to give and I told him I didn't know but then I subsequently found out that she would and called him and told him.

Q Did you and Colonel North also have a discussion in the spring of 1986 with William O'Boyle concerning a contribution to acquire weapons?

A We discussed planes with him. I have to tell you, that's what I remember.

Q What led to the meeting between Mr. O'Boyle and Colonel North?

A Well, he had come down here for a meeting and--for one of our little briefings. It was near the end of the spring and the meetings were little then. We had very few people and he had come down and he was very interested in helping and I wanted to have lunch with him the next day. He had said the night before he wanted to help. In fact, he might have even committed 30 or 60 thousand the night before and I wanted to talk to him the next day because I thought maybe we could get him to give a lot more money than that. So I had lunch with him at the Hay-Adams down in the grill and that's where--when I told him that we had been very lucky to have some of our people meet the President when they had given a substantial amount of money and that he might like to participate in that sometime if he would ever want to give more money than he had given, and this was when he had committed 60,000.

. Q Was the figure $300,000 mentioned in connection with a meeting with the President?

. A No, no. Because we had several people meet with him who never gave money like that.

. Q Mr. O'Boyle had been in town to attend the briefing that you mentioned.

. A That's right.

. Q During the evening he had indicated to one of your associates that he wanted to make a contribution.

. A Yes.

. Q Had you taken any steps to have any checks run on Mr. O'Boyle run overnight as to whether he is the sort of person you wanted to be associated with your organization?

. A No.

. Q Is it possible that a meeting with Colonel North was arranged at breakfast the following day?

. A It could have been. I don't remember.

. Q At some point there occurred a meeting between you, Mr. O'Boyle and Colonel North; is that correct?

. A Yes, in the afternoon.

. Q Shortly after the evening briefing.

. A Oh, yes, right.

. Q And what did Colonel North say during this meeting?

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. A He talked about the airplanes and how effective they would be and how important all of this was and he gave--he wasn't there very long, by the way, a very short meeting. He talked about the freedom fighters in general, what they were doing and I mean it was just small talk about the freedom fighters, nothing terrific. And then he left.

. Q Now you say he talked about airplanes.

. A He did.

. Q Is this the Maule planes?

. A Yes, these are the Maule planes.

. Q Did he talk about the cost of the Maule planes?

. A I don't recall that but I know that's the direct answer to your question but Mr. O'Boyle already knew that.

. Q How did he know that?

. A Either the person who solicited him the night before told him--I also mentioned the cost again to him when he upped his contribution.

. Q And the cost was how much?

. A Sixty--we said 60 to 65 thousand dollars for each one.

. Q For each one?

. A Yes, sir. But I know that I mentioned it to him.

. Q So Colonel North described the need for Maule planes?

. A Yes.

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Q Was there any discussion of missiles between Colonel North and Mr. O'Boyle?

A I do not recall that.

Q Did Colonel North ask Mr. O'Boyle for a contribution?

A I don't recall that he did.

Q Do you recall if he made his statement to the effect that as a federal official he could not make a request?

A Not at that luncheon.

Q Did Mr. O'Boyle make a contribution following this meeting?

A Yes, he did, very quickly.

Q For how much?

A $130,000.

Q What did he indicate it was for?

A Two Maule airplanes.

Q And did you report this to Colonel North?

A I think so.

Q Was there a second meeting between you, Mr. O'Boyle and Colonel North at the time he delivered this check for $130,000?

A I don't recall that.

Q What did you tell Colonel North when you reported the contribution?

A Nothing special. I just don't, I don't remember. I just remember that I notified him that we had gotten that money.

Q Did you arrange a later meeting between Mr. O'Boyle and Colonel North?

A It was arranged through us, through our office.

Q What was the purpose of that meeting?

A We have a memory problem here that I have had with parts of these things with O'Boyle and it's dead.

Q If you don't recall, you don't recall.

A ~~And I come, I ran the bath water and didn't get in and~~ I just can't remember. We went through this before with somebody. I'm just blank for some reason. I'm sorry.

Q All right.

A One of the problems I have with other people's contributors is just that. I didn't focus very often on much follow-up with other people's contributors. I would often go in to help them raise the money from that contributor and then I would back away and deal with my own people and other things would happen with those contributors.

Q When you say other people's contributors, do you mean other fund raisers employed by NEPL?

A Sure.

Q Who was the fund raiser responsible for Mr.

O'Boyle?

. A Jane McLaughlin. So I have vivid memories of small sections of some of these meetings with other contributors and then suddenly nothing. I don't know how I got there and I don't know anything that happened afterwards.

. Q All right.

. A They normally took care of that.

. Q Was another NEPL contributor an individual named Thomas Claggett?

. A Yes.

. Q Do you recall any discussion between Colonel North and Mr. Claggett with respect to a contribution for weapons?

. A Yes. He met I think it was in January with Tom.

. Q Was this a private meeting?

. A Yes.

. Q Were you present?

. A Yes.

. Q What did he say--what did Colonel North say in that meeting?

. A Well, as I recall that meeting was a very vivid one where Tom and Colonel North talked about all types of military weapons just because Tom is interested in the military situation. He didn't have the financial power to give very much. He was going to give something anyway, a contribution, and he was just going to give a contribution.

He didn't care where it went and he was delighted to meet Colonel North and they talked warfare the whole 15 or 20 minutes.

. Q To your recollection, did Colonel North present any specific military need of the resistance to Mr. Claggett?

. A He talked about missiles also with Tom, but Tom was already going to give a contribution. I mean Tom wished he could give a billion dollars.

. Q Other than the contributions that we have discussed between Colonel North and your contributors where there was a discussion of specific weapons needs, do you recall any conversations with other contributors?

. A No. I mean we talked to a lot of people, you know, about the program and everything.

. Q You mentioned, Mr. Channell, that your organization paid for a private plane to transport Colonel North from Washington, D.C. to Dallas, Texas, to meet with Mr. Hunt. Did you pay for any other travel or transportation by Colonel North?

. A Yes, when he went to visit Mrs. Newington in May of 1986.

. Q Was that again a private plane?

. A Yes. We paid for him and for Rich Miller to fly to it's either Westchester or Greenwich--I don't know which one--airport and back.

. Q Do you recall the approximately cost of that flight?

. A That wasn't as much as to Dallas and I think it was like maybe 6000 or 5000.

. Q Was that the only other travel for Colonel North that you paid for?

. A Yes, sir.

. Q Did you ever arrange for payment to cover any of his travels to Central America?

. A No.

. Q Did you or any of your organization ever give any gifts to Colonel North?

. A We gave him a briefcase when his briefcase fell apart on the street.

. Q Now, when you say we, is that--

. A Dan Conrad and I together.

. Q You individually?

. A Yes.

. Q What was the approximately cost of that?

. A I don't know. Dan bought it. Charged it.

. Q Do you know if it was under $500?

. A I don't know. I think it probably should have been.

. Q Other than the briefcase did you give any gifts to Colonel North?

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A No.

Q In the NEPL financial records was there an account known as the Toys account?

A There was what they call a ledger within the NEPL accounts where contributions for special projects for Ollie, some special projects, were placed, some contributions.

Q When you say that was a ledger account, are you distinguishing that from a bank account?

A Yes.

Q So it was a bookkeeping entry?

A That's right.

Q Where funds were accounted under that heading.

A That's right.

Q What was the origin of the Toys account?

A Well, I'm really not sure. People have bashed me over the head about this and I'm not sure. I had decided--the account was innocently marked Toys when we first decided that we were going to try to raise money specifically for Adolfo Calero's families in Christmas of 1985. We were going to put every one of the dollars we raised into a special ledger and give him absolutely everything that was raised. Then later on we used that for the special hardware and military amounts of money. Some of them, some of the contributions went there. And it sort of became a code around the office among some of the fund

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raisers that the Toys account meant not the Central American freedom program and not SDI, not Geneva summits; it was hardware and airplanes and things like that.

When I went over this late last year I realized that they put money in that account that had no relationship to that account whatsoever and money for these hardware projects in other parts of NEPL, so--

Q So in practice it--

A It was very misleading.

Q --turned out not to be an accurate record.

A Oh no. Oh no. Wasn't even close.

Q What did you do after you learned that?

A This was late last year or maybe even early this year when I actually sat down and looked at the records for the first time.

Q Did you structure accounting personnel to remove the designation Toys from the internal NEPL financial records?

A I told Steve I think it was in December that we should stop using this totally, that we hadn't used it for a while and that people were saying that this was for hardware and I thought that was inaccurate and that was wrong and it should be stopped.

Q Did you tell Steve--and I take it you are referring to Steve McMahon.

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A McMahon, the accountant.

Q Did you tell him to delete the reference Toys from the computer data base of MEPL?

A No, only if he interpreted me as saying stop, we don't want to use that any more, to destroy that would he have done that.

I didn't want to use it any more. We hadn't helped in that way with Colonel North for some time anyway.

Q What was the reason to tell him to stop then in the fall of 1986 if you were no longer--

A That was the reason, that we were not going to be doing this any more.

Q So you told him to stop making an entry with respect to any contribution to the Toys account?

A Any contribution, that's right. Because it was wholly inaccurate and it was a mess, frankly.

Q And it was not your understanding that he was going to change any of the existing records in response to your comment?

A No. I didn't ask him to change the records at all.

Q And you weren't aware that he was doing so.

A That's right.

RPTS DOTSON

DCMN STEVENS

4:45 p.m.

BY MR. FRYMAN:

Q Mr. Channell, today we have talked about a number of meetings and briefings held between Colonel North and Supporters of your organizations at a time when Colonel North was an employee of the White House, and you have indicated in several of your answers that it was significant in your fund raising efforts to have the substance or involvement of a representative of the White House; is that correct?

A That is right.

Q Now, did there come a time in 1985 when you and Mr. Conrad began to discuss the possibility of having the direct involvement of the President of the United States in meetings with your contributors?

A Yes.

Q In late 1985, did Richard Miller speak to you about the possibility of retaining as a consultant a former personal aid to the President named David Fischer?

A He did.

Q How did that subject come up?

A Mr. Miller was aware that, as is everybody in

Washington, that it is wonderful if the President will endorse your programs. And I had been saying to him for a long time, I would love to be able to get some of these people who have never met the President, who have been giving to him for 20 years, in California and in Washington, every direct mail letter that has his name on it, to meet the President. If there is any way we could do that, I would be delighted to be part of it.

These people have given and supported the President to the point of sacrifice in some instances. We talked about that several times during 1985, and late in the year he came to me and said, Spitz, I think I may have found a way to have your contributors meet the President. And I said what is that? And he said, well, I think we should discuss the possibility of you bringing on Mr. David Fischer as a consultant, he is an ex-private aid to the President, he will be able to help us facilitate those meetings, none are guaranteed, of course, but he knows the people, he knows how to write the request, he knows the people in the White House, and he can also help you with the programs that you and I have discussed, there was about four or them, around town, getting the right information, meeting the right people outside the White House who used to work for the White House, he can help you get contributors in California for some of your projects, most especially the project on the Constitution of the United States, which is a very big project.

He knows people, Spitz, that you don't know in fund raising circles, and he would be immensely helpful, worth his weight in gold in introducing you to people he knows all over the United States and has met over the past seven years of working with the President, again, especially in California.

We had very few California givers and it is a terrific reservoir of potential money. And so Rich Miller laid this entire feast before me and said if you will allow me to employ him as your consultant for all of these programs in the future and the possible meetings with the President, we will do so.

He said, I think it is a very good idea, he can help you in a variety of ways, and if you are ever going to get meetings with the President, with your people, there is no better opportunity than with him.

Although, again, nothing is guaranteed, and he is out of the White House now. So, anyway--

Q How did Mr. Miller say he had known Mr. Fischer, or did he?

A I don't remember.

Q Did he mention anyone other than Mr. Fischer? And, specifically, did he mention a gentlemen named Marty Artiano who was helping David get started in business in Washington, and I think David had a private business office in Marty Artiano's office.

A I truly don't know the extent or the depth of their connections. I know that they showed up together the day we met and I saw Marty maybe five or ten times thereafter and then no more.

Q Was the proposal by Mr. Miller that you hire the two of them together, i.e., Mr. Fischer and Mr. Artiano?

A I didn't get that impression. I got the impression I was going to take on Mr. Fischer's consultant.

Q You say you met Mr. Fischer and Mr. Artiano shortly after this initial discussion with Mr. Miller?

A Yes.

Q Was that in December 1985?

A Yes. Or maybe even a little earlier. The last of November.

Q November or December 1985?

A Yes.

Q Was that at Mr. Miller's office?

A Yes, it was, the second one.

Q The second--

A When I have worked with Rich he has had three offices. This was the second one. And they are almost all on the same street, so it is a disaster trying to figure out

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which one. This is the second one.

Q What was discussed in this meeting that you had with Mr. Fischer and Mr. Artiano and Mr. Miller?

A What we have previously suggested they could do. And, actually, David Fischer said that he would have to frankly research around town and talk to people to find out if he wanted to have a political group as a client and that he would get back with us shortly on that.

Q Was there any discussion of compensation in the initial meeting?

A Yes. There were discussions of $50,000 and $20,000 per month, and--

Q You mean $50,000 a month as well as 20--

A No, or $20,000 a month.

Q What were you to receive for $50,000 a month and what were you to receive for $20,000 a month?

A The same thing. It turns out it was the same thing. They tried to--

Q If you were going to receive the same thing, why would you consider paying 50 instead of 20?

A I didn't. I said it is impossible, we can't afford it. So we ended up paying him $20,000 a month on retainer for, I guess, almost a year.

Q Was that discussed at the first meeting with Mr. Fischer?

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A Maybe. Very close thereafter.

Q You say at the first meeting he needed to check out your organization and decide that if he wanted to take on this type of client--

A That is right. I gather it was almost sincere, or was sincere, because I don't think Rich Miller would have brought someone up to say we should get together here and let's do it unless they were ready to do it. I think David probably said to Rich, I would like to talk to them first, I don't mind you arranging the meeting and I will tell them what I am planning to do here in Washington and see if that aligns with their programs and after I get a measure of these people I am going to go out and see what else other people say, and then come back. I think that was a sincere remark.

Q Was Mr. Conrad also present at this initial meeting?

A I think so.

Q What did Mr. Artiano say in this initial meeting?

A Not much.

Q I take it there was then a subsequent meeting with the same group shortly thereafter?

A Either that or--there was, yes. But I also told Rich that when David had made his decision to let us know and if it was a positive one, which it turned out to be, in a subsequent meeting David came and did say he would go ahead and become a consultant, we could get everything organized, what to do.

. Q Was the understanding that Mr. Fischer was to be a consultant to IBC as opposed to NEPL?

. A Yes. We would pay the bill to IBC. He was going to work with us through IBC, but he would, he was not exclusively working with us.

. Q So he was to work for IBC, he would be paid by IBC and you would reimburse IBC for payments to Fischer?

. A At least some of them. He had other clients also. At the same time he was working for us. He was working for other people.

. There was never any--it was never mentioned, Spitz, I will work exclusively for your organizations.

. Q Now, was the initial understanding in late 1985 reduced to writing?

. A I don't know.

. Q You have no recollection of a written agreement?

. A No, but I was not the administrator for our organization. Don Conrad was, and he would have been required to get that together over it. I would not have necessarily seen him.

. Q Now, from the beginning was it understand that one of the objectives of this association with Mr. Fischer was

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to arrange meetings with President Reagan?

A Yes. If we could. He was to make a good--what do they call it?--good faith effort.

Q Did Mr. Fischer or Mr. Artiano say to you that it would cost $50,000 a meeting with President Reagan?

A Oh, yes, they discussed that.

Q When did they say that?

A at the very beginning.

Q What did they say, as best you recall?

A I don't recall the details, but that was the substance of it.

Q For every meeting I set up with President Reagan, it will cost you $50,000?

A That is right.

Q And was that to be in addition to the $20,000 a month retainer?

A No. That was their offer initially to do everything within 6 months cap

Q Well, which was their offer initially?

A The $50,000 was the initial offer.

Q For each meeting with President Reagan?

A Yes. But we didn't do that.

Q You say we didn't do that. Did you reject that offer?

A Yes.

Q Why?

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. A That was impossibly expensive.

. Q But that was Mr. Fischer or Mr. Artiano's original proposal?

. A It might have come through Rich Miller. I don't remember initially talking to David Fischer directly about dollars. And I really haven't thought about this for a long time. I literally haven't thought about it for a very long time. I think, frankly, we discussed money more with Rich Miller than Marty and David.

. Q You understand that the agreement that was reached at some point then was a monthly retainer of $20,000 a month?

. A That is right. And that that was regardless of whether there were no meetings with the President or ten meetings with the President. It didn't make any difference.

. Q Was that for a period of time?

. A Well, if I was still in business we would be going on today.

. Q Was there a specific understanding that this would extend for two years?

. A No.

. Q You have no recollection of that?

. A I don't remember a time limit.

. Q Do you recall a meeting that Mr. Artiano and Mr. Fischer requested later in 1986 where they reported that

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they had heard statements from you or Mr. Conrad that the basis of compensation was $50,000 a meeting and they wanted to correct your understanding of the basis of compensation?

A Off the record.

(Discussion off the record.)

MR. FRYMAN: Back on the record.

BY MR. FRYMAN:

Q I will rephrase the question.

A I was lost, that is all.

Q Do you recall a meeting later in 1986 with Mr. Fischer and Mr. Artiano where they stated that the purpose of the meeting was to correct a misunderstanding that had been reported to them concerning the basis of compensation that they were receiving from NEPL? Specifically, they stated that you and Mr. Conrad were stating that NEPL was paying them $50,000 for each meeting with President Reagan which they considered to be incorrect and they wanted to have this meeting to correct your understanding of the basis of compensation.

A Got it. No.

Q You don't recall any such meeting?

A Dan Conrad would have attended a meeting about that, I probably wouldn't have. That was financial matters that I probably would not have gotten into. I do not recall going to any such meeting.

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I know we had an initial discussion about $50,000. We didn't do that, so--

Q Would the basis of compensation be a matter that would also be negotiated with Mr. Conrad as opposed to you?

A He did a lot of that. See, he hired a lot of our people, he established salaries for all of our people, he was to manage all of the employees, teach them.

Q Would Mr. Conrad have the authority to negotiate the terms of a consulting agreement with Mr. Fischer and Mr. Artiano?

A After a certain point he could finalize that.

Q Could he negotiate the details of compensation?

A After a certain point he could. He couldn't go out there and say I am going to hire you and I think you are worth so much and Spitz will love it, no.

Q Well, after the decision had been made to hire Fischer and Artiano, did Mr. Conrad have authority to agree to pay them $50,000 for each meeting with President Reagan?

A No. He could have agreed on our behalf to pay them something, but not that amount.

Q Did he have the authority to agree to pay them on a per meeting basis?

A No. This would all be discussed with me at some point. I mean, we would have discussed it at some point and he would have finished up. He might have gone to them at

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the beginning, to anybody, to work up a proposal. But he was supposed to pass anything like that by me, and generally he did.

Q Are you familiar with the amounts that NEPL paid to IBC each month in 1985 and 1986 for the services of Mr. Fischer and Mr. Artiano?

A No. I mean--no, not the precise amounts.

Q So I take it you are not aware of any advance payments for their services in the range of $50,000 each month?

A I would not be, that is true.

Q Is that something that would come within the area of responsibility of Mr. Conrad, to arrange for that sort of payment?

A Yes, sometimes he would do that. He could do that, yes. He handled IBC bills. That was part of his work for part of the time.

Q Do you recall any discussion with Mr. Miller in early 1986 about the need for NEPL to pay to IBC an advance in the range of $200,000 over a period of three or four months on the amounts due under the agreement to Mr. Fischer and Mr. Artiano?

A No.

Q You have no recollection of that?

A No.

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Q I take it then that you do not recall any discussion with Mr. Miller about a meeting with President Reagan for each month of an accelerated payment by NEPL to IBC?

A That--each month on an accelerated payment--see, to my knowledge, IBC just billed us every month for all of the consulting together, and we made the check to them.

Q Well, you understood--

A And it was part of that, to my knowledge.

Q You understood that the original arrangement was that Fischer was to be paid a $20,000 a month retainer by IBC?

A Right. This was first arrangement.

Q Which would in essance be passed on to NEPL?

A Right. Sure.

Q So you were paying IBC $20,000 each month for Fischer's services?

A Right. For everything.

Substance change

Q Now, do you recall any discussion with Mr. Miller early in 1986 where he stated that in addition to the monthly $20,000 payment for Mr. Fischer's services he was going to bill you an additional $50,000 a month as an advance due on his obligation to Mr. Fischer?

A I don't recall that. To me, that is confusing.

Q What do you find confusing about it?

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A Why would we be paying $50,000 in advance for a $20,000 bill in advance?

If that is what you mean. I may be not understanding your question. I just don't--I don't remember that, that is all.

Q Did Mr. Miller indicate to you that he was having to pay to Mr. Fischer more than $20,000 a month because of the time that Mr. Fischer was devoting to his services for NEPL?

A No. I never had any complaints, if you would call that a complaint. I would call that a complaint.

Q In any case, you do not recall any discussions with Mr. Miller about your agreeing to pay more than $20,000 a month if you could be guaranteed a meeting with President Reagan for an additional payment or a payment beyond the $20,000 a month?

A No. No, I just--sorry.

Q Did you have direct negotiations with David Fischer in the late spring of 1986 about a consulting arrangement with him?

A I talked to him very frequently about a consulting arrangement with him; a lot.

Q Did you and Mr. Fischer reach an agreement in the late spring or summer of 1986?

A Well, I decided to pay him directly once or twice, just directly. David was in the process of a great deal of turmoil the entire time I worked with him as to what he really wanted to do, the limits of his consulting, who he wanted to work with, whether he wanted to work with Marriott, which he really delighted in working with it, some foreign governments, become a foreign agent or whatever. One of his stock phrases to me was, Spitz, we need to go have lunch, I need to talk to you about what we need to do in the future. And one day I said to him, David, one of these days you need to get organized, because every week you are in Washington it is a new project and a new consulting position, and then he would call me from time to time and he would say, I want to talk to you about what we are going to do in the future, what I can do for you in the future, and I had just thought we had gotten it when he would come up with something new, an entirely different arrangement, and I got the impression the entire time I worked with him he was just very unsettled.

I think that he must have stopped working with Marty Artiano within three or four months after I met him, because we didn't see him anymore, didn't hear from him anymore, David didn't mention him anymore, anything. And then David, who had had an office at Marty's, has an office at Rich's, but David has other clients also, and David is calling me saying we need to work out our future. I never was able to decide whether or not he had told Rich this, although I do know that he had other clients in Rich's office complex.

So it was a little bit confusing to me. But I did pay him I think two checks directly in the late summer or fall. And then we reverted to what we had done before, I think, was to go right back and give the money to Rich. There might not have been another check, I am not sure. But I did pay him directly twice.

Q What was the reason for that?

A I can't remember. I can't remember what the reason was. I was just sitting here thinking why did we do that. I know one time he called and asked specifically if we could do that this month. I got--again, let me go back, I was getting the impression he was either uncomfortable now working with Rich or he was moving out on his own or something, but he did call, twice as a matter of fact, and asked for checks made out personally to him rather than going through IBC in late summer, early fall.

Q Apart from whether or not the checks were paid directly, am I correct from your answer that you do not recall re-negotiating with Mr. Fischer the terms of the original consulting agreement in the spring or summer of 1986?

A No. I think we were paying him the same amount

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right until the time we had stopped. The only variance to my knowledge was the--as I said, I think we made out two personal checks, to checks personally to him rather than IBC.

. Q Your initial association with Mr. Fischer and Mr. Artiano was in late 1985; is that correct?

. A Yes.

. Q Was one of their first activities work in connection with the January 1986 briefing?

. A They worked two months on that.

. Q And that briefing was ultimately held on January 30, 1986?

. A That is right.

. Q Is that a briefing that President Reagan attended?

. A Yes. He stopped by.

. Q Is that the only NEPL briefing that he ever attended?

. A It is.

. Q And is it your understanding that Mr. Fischer arranged President Reagan's appearance at that briefing?

. A That is correct.

. Q Apart from the President's appearance, was the briefing similar in format to other White House briefings that you had on behalf of your contributors?

. A Yes. And not only that, it was very similar to

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other White House briefings I had gone to. It was a regular White House format. I attended five or six presidential briefings in two years, and they were almost exactly the same.

Q What have your meetings with President Reagan been over the years? There was the briefing on January 30 we have been discussing.

A Yes.

Q On what other occasions have you met with the President?

A I was invited to a briefing on the Geneva summit in November of 1985. I was invited to a briefing on the--three briefings on the freedom fighters in the Cabinet Room.

Q When were those?

A In 1986.

Q Do you recall the month?

A I think it was March and maybe April.

Q You said there was a third one?

A Two I think in March, and one in April. I was invited to another one on SDI. I was invited to one on the Saudi arms sale and the sale of the AWACS planes to Saudi Arabia.

Q That was one briefing?

A Yes. And I went to a White House briefing, I am not sure the President was there, he might have been, on

South Africa.

Q When was the SDI briefing?

A One was in November of 1985. And I can't remember the other--it might have been close to. I just can't remember when the second one was, but there have been two.

Q Now, you mentioned you attended a briefing also in November of 1985 relating to a summit. So did you--

A That is the SDI briefing.

Q That is the SDI briefing?

A Yes. All of these meetings were held either in the Cabinet Room or the Roosevelet Room. I have attended probably ten meetings in Room 450.

Q With the President?

A Yes.

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RPTS MCGINN

DCMN SPRADLING

[5:45 p.m.]

Q And what is the nature of those meetings?

A His legislative agenda, human rights day, the budget, innumerable things.

Q Now, these meetings that you have described in 450 and also the other briefings, these are all meetings as a part of a larger group; is that correct?

A Oh, yes.

Q Have you had any private meetings with President Reagan?

A No.

Q Did you participate in any private meetings that he had with contributors to your organization?

A No.

Q Have you had any phone conversations with President Reagan?

A He called me in June of '86 once.

Q Were you at your office at the time?

A Yes, I was.

Q Do you know what prompted that call?

A Yes. I wrote him a letter and told him that I had analyzed the Nicaraguan legislation, the quagmire the

Nicaraguan legislation was sitting in and suggested that if he wanted to get it off dead center he adopt the following seven proposals. And he called me to discuss them.

. Q Had you received advance notice that he would be calling?

. A Yes. I was told that he might call sometime that week.

. Q Who told you?

. A David Fisher told me they had gotten a letter, that he might call. If he was going to call, he might call that week.

. Q In the group briefings that you have referred to were there any occasions where the President specifically referred to you or spoke to you directly in those briefings?

. A Other than to answer or respond to a question I had, no.

. Q Do you recall his thanking you in one of those meetings for some advertisements that your organization had run?

. A Well, only in my meeting, the NEPL meeting did he thank us for what we had done before.

. Q Not in these other briefings?

. A No.

. Q Now, the January 30th White House briefing, it's your understanding that Mr. Fisher arranged the President's appearance at that briefing. Did you also ask Mr. Fischer to arrange private meetings between the President and substantial contributors to your organization?

A Yes.

Q And was Mr. Fischer able to arrange such meetings?

A He was, several.

Q Do you recall the ones that he arranged?

A Oh yes, sure.

Q Which contributors met, to your recollection?

A The Driscolls, Mrs. King, Mrs. Newington, the ~~Warrens,~~ Warms, Ellen Garwood, Bunker Hunt, Bill O'Neil, Fred Sacker. He facilitated all of those.

Mean "O'Boyle" (?)

Q Had each of those individuals contributed more than a hundred thousand dollars to NEPL?

A Yes.

Q Had each contributed more than 200,000?

A I'm missing one, the Pentecosts. Now the answer is no.

Q Which had not contributed more than 200,000?

A The Pentecosts did not contribute a hundred thousand and the Driscolls had not contributed 200,000 at that time. I'm trying to think of the times they had the meetings because it would have been relevant to me if they gave a lot afterwards. I'm trying to remember when those meetings occurred. I can't remember all the names, but those are two that were under 200,000. The rest gave much higher than that, 500,000 and up. By the time they had seen the President, they had given much more than that.

Q So Mrs. King was more than 500,000 when she met the President?

A No.

Q Let's use the figure 300,000. Was Mrs. King more than 300,000?

A She would have been very close to 300,000. She was not one of my contributors and so my memory for her figures, when ~~where~~ money came in is very vague.

Q Who was the fund raiser assigned to Mrs. King?

A Cliff Smith. But she would have been close to 300,000 I would think.

Q Mrs. Hewington I take it had contributed more than 300,000.

A Oh yes, way over.

Q And that's also true of the Warms, [redacted], Mr. and Mrs. Warms [redacted]?

A Yes.

Q Mrs. Garwood had contributed--

A I'm not sure the Warms [redacted] had given 300,000 yet, but we had asked them to send stock later. This was I think in January and they wanted to do it later and we were going to need it later, so the fact that they hadn't given much then was irrelevant.

Q There had been a commitment for an amount of 300,000?

A More than that.

Q More than that?

A Oh, yes, sir, more than that.

Q And Mrs. Garwood had given more than 300,000?

A Oh, yes, much more.

Q Mr. Hunt had given more than 300,000?

A Oh yes.

Q What about Mr. O'Neil?

A By that time much more than that, yes.

Q And Mr. Sacker?

A Yes.

Q And the Pentecosts had not?

A They didn't give a hundred thousand.

Q Was it your understanding that there was no official White House record maintained of these private meetings?

A I thought there was always a record of everybody.

Q Did you ever indicate to Mr. O'Boyle that such meetings would not be--would not appear in the White House records?

A No. I mentioned to him that this would not be an official meeting, that the press would not be invited in.

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Q But you don't recall saying anything that there would not be a written record?

A You can climb in the window. No.

Q Going back to your conversation with Mr. O'Boyle, do you recall saying anything to him about secrecy being maintained with respect to his hotel bills when he was staying in Washington?

A I said to many people we will pay for your hotel bill because of the support you are giving us. We would prefer to just go ahead and pay for it.

Q Do you recall saying more than that, that there would not be any record of his staying in the hotel in connection with these meetings?

A That just--I don't remember that. I don't know how you could stop ~~there~~ them from being a record.

Q You do recall saying to Mr. O'Boyle that it might be possible to arrange a meeting between him and the President if he made a substantial contribution?

A Oh yes. If he would be willing to help more.

Q But you don't recall mentioning the figure $300,000 to him?

A No, I don't.

MR. FRYMAN: I ask the reporter to mark as Channell Deposition Exhibit 1 for identification a group of documents which have been reproduced from the documents produced by

Mr. Channell's counsel in response to subpoenas from the House and Senate committees. At the front of this volume of documents is a list of the identification numbers on each of the sheets of paper that were placed on the documents by Mr. Channell's counsel. There's also an indication of the date of the document. Where it's possible to determine the date, the general effort has been to organize the materials in this volume in chronological order.

[Channell Deposition Exhibit No. 1 was marked for identification.]

BY MR. FRYMAN:

Q Mr. Channell, would you look at Deposition Exhibit 1 for identification and I first direct your attention to the sheets in the back of the volume which contain handwritten notes. The first of those has the identification number 79113 at the bottom. I believe that note is not your handwriting; is that correct?

A That's correct.

Q Do you recognize that to be anyone's handwriting?

A I don't, unless it's Dan Conrad's, I don't know.

Q You are not sure of the handwriting?

A No.

Q Would you turn to the next page which has the number 31642 at the bottom and has at the top ATAC-Maryland. Is that your handwriting?

A Yes.

Q And turn to the next page which has the number 37775. Is that also your handwriting?

A Yes.

Q And the next two pages, which are 75935 and 75936, is that your handwriting?

A Yes, the first page is and the second.

Q Finally, the last page which is 81288, is that your handwriting?

A Yes.

Q All right. Now let's review the pages that you have identified as your handwriting and we will return to the first of those pages which is 31642, and has ATAC-Maryland at the top. What does that refer to?

A This is the Anti-Terrorism American Committee.

Q And what is the significance of the state Maryland?

A We hoped to do a campaign in Maryland.

Q Now, under that is listed the names of various individuals and what appear to be indications of amounts of money; is that correct?

A That's right.

Q And do those amounts total 43,500 or 47,500?

A Right. I hope so.

Q At least you have indicated that on the sheet.

A Exactly.

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Q now what are those contributions or what are those references above that total?

A Either we got that amount for ATAC eventually in soliciting or I was hoping to ask those people for that amount for ATAC.

Q Do you know which it was?

A I think it was a hope.

Q Now, beneath that total there's a line that appears to me to state Green and then a dollar sign; is that correct?

A Yes.

Q What does that refer to?

A This would mean money for special projects.

Q Now, would you identify the individuals listed under that heading and the amounts.

A You mean you want the full names?

Q Yes. Just identify--the first one is Barbara. Would you just identify who that refers to and the amount?

A Yes. Barbara Newington at $150,000, Ellen Garwood at $200,000, Bill O'Boyle, $50,000, Mel Salwasser at $50,000, Mrs. Anderson at $20,000, Tom Claggett at $20,000, Mrs. Alles at $5000, General Bennett at $5000, Bill Bush $1000, Mrs. King, $80,000 and Mr. Ledbetter, $5000.

Q Now, you have the group beginning with Mrs. Newington and ending with Mr. Bush listed on the left-hand

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column and you have that as a total indicated of 501,000.

A That's right.

Q Then you have Mrs. King and Mr. Ledbetter separately in the right-hand column with a total of $85,000. Is there any significance to the two separate columns?

A I have no idea.

Q And then you indicate a grand total of $586,000.

[Witness nodded affirmatively.]

Q Now, are these amounts that each of these individuals gave for special projects for Colonel North?

A I have no idea.

Q Do you recall making these entries?

A Yes.

Q What do you recall they are?

A I have no idea. I mean to me this looks like a projection for the future, not something that they have already done. I truly don't know. When you realize that many of these people gave every month and I was continually making up budgets, I truly have no idea.

Q Do you recall when you made this list?

A No. It would have to be sometime after ATAC of course was formed, which would have been easily late spring of 1986.

Q So this would have been no earlier than the summer of 1986?

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A Or the late spring, yes.

Q Late spring or summer?

A Uh-huh.

Q Now green dollars refers to projects of Colonel North, is that correct?

A Yes. That might be projects that I wanted him to participate in as well.

Q Such as what?

A For instance, if this was for a terrorist film, it was my idea to have him help us make a terrorist film and for him to narrate it. This was one of our projects. You will note that the amounts of my major people are extremely small, relatively. Salwasser, Anderson and Claggett being circled are circled because they were not my contributors and Mrs. King and Mr. Ledbetter are on the right side because they are not my contributors.

Q Well, in looking at this is your recollection refreshed as to what project this does refer to?

A No. But I do not believe this was a project with Nicaragua.

Q All right.

Would you return to the--

A We have people on here who did not like to give to Nicaragua. That's why.

Q Who were those contributors?

A Mrs. Alles. General Bennett. Mr. Bush are at least three people who are not interested in giving to Nicaragua. We were aware last spring that Bill O'Boyle was not going to participate in Nicaragua any more and he is listed here. The amount--so I'm sorry but I don't think it was Nicaragua.

Q All right.

Turning to the next page which has your control number 37775 on it. would you just read for the record what you have written on that page?

A The top line says. ''New list of dollars or for dollars.'' The second line says ''Worldwide fund raising dollars.'' Third line says ''New list of Toys next Monday.'' The fourth line says ''Trips for dollars.'' The fifth line says ''Letter from Ollie to people.'' The sixth line says ''How much does Elliott know'' and above. ''very little''.

The seventh line I guess said ''Aid request in dollars''. and then there's a hundred million below that. the word ''Perot'' is listed to the right and below that is the phrase ''David Fischer and Marty-no.''

Q Now, do you recall making these notes?

A They are my notes.

Q Do you recall approximately when you made them?

A I think they were in late fall.

Q Of what year?

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A 1985 or like December of 1985?

Q Now, what is the first line, ''New list of dollars'' refer to?

A I have no idea. It could have been five or six different projects.

Q What does the next line, ''Worldwide fund raising dollars'' refer to?

A This would be trying to put together a list of people all over the world from whom we could raise money.

Q For NEPL?

A Not necessarily.

Q For some organization.

A One of my organizations, yes.

Q How did you go about putting together such a list?

A We never got one.

Q This was an idea that was never implemented?

A All of these are ideas, a list of ideas.

Q What is the next entry, ''New list of Toys'', refer to?

A This would refer to a list of military or hardware needs of the freedom fighters.

Q And was this a list that you were going to obtain from Colonel North?

A Could have. It could have meant that.

Q Did you ever obtain a list of military needs from Colonel North?

A Never.

Q Why is there a reference to a new list of toys here then?

A Because we had raised money in the fall mostly for airplanes and I felt that we would need some new ideas for 1986 and we were going to talk to Adolfo as well as Ollie about--I mean in the fund raising profession if you keep raising money for the same thing over and over and over and you started to raise money for a limited quantity to begin with, people are eventually going to say what's wrong. So we were hoping for something new.

Q Had Colonel North, in various of his meetings with your contributors, in the fall of 1985 where he had discussed military weapons, been working from the same list in those various meetings?

A I have no idea.

Q I'm trying to understand why you felt you needed a new list of military weapons from him at this point.

A It to me is--it's a fund raising technique problem. It's time to have something new to raise money for.

Q There's a reference beside that to next Monday, which I interpret relates to the new list of toys. Is that your indication?

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A Yes. That's right.

Q Do you recall talking to Colonel North about obtaining a new list of military needs?

A No.

Q And I take it you do not recall receiving such a list?

A No. We never did.

Q What again does the next line say?

A ''Trips for dollars''.

Q What does that refer to?

A Going out of town for fund raising.

Q Is that trips by Colonel North?

A It could have been.

Q Do you recall?

A I am not sure. It might have meant trips for us, for Dan and me to fly around the country for money.

Q The next line is ''Letters from Ollie to people''

A Yes.

Q What does that refer to?

A Well, if this was--if I'm accurate in thinking this is December, we were probably thinking that he would want to send a thank you letter or some letter for Christmas to our major givers.

Q Did he send such letters?

A I don't think so. At that time, the timing. He probably sent something early in '86 but it wasn't at that time.

Q The next line is ''How much does Elliott know'' and then you have written ''very little''.

A Yes.

Q Elliott refers to Elliott Abrams?

A I think so.

Q What does that entry refer to?

A I can only assume that it would refer to what we are doing with Ollie other than our television programs and things like that. That's all I have been able to figure out about that.

Q So you are writing a note to yourself asking how much does Abrams know about your work with North other than fund raising for television at this point.

A Well, I was going to ask Ollie that myself, how much does he know.

Q In other words, did you have in mind how much does he know about the fund raising for military equipment?

A Yes. That's what I was going to ask.

Q Well, is the entry up there very little, does that indicate an answer from Colonel North?

A I don't know. I truly don't know. When I looked at this note one time I thought of course it does. But then I realized that these other things should have been answered ahead of it and are not.

. Q Is the word beside the letters from Ollie to people, does that say doable?

. A It can. That very well may be what it is but I can't see it because mine is so dark.

. Q Is the entry next month beside new list of Toys, does that appear to you to be an answer as to when you will obtain a new list of toys?

. A Again that could have been.

. Q Then the next line has ''Aid request dollars'' and you have written in a hundred million dollars after that.

. A Right.

. Q And then out to the side there's written ''Perot''.

. A Yes.

. Q What is the reference to Perot about?

. A I have no idea. We had asked Ollie several times if he could get us an introduction to Ross Perot so that we could tell him what we were doing, the whole spectrum of our activities, and he said he could do it. But he said that over a six-week period after we had asked three or four times. And the aid request refers to the hundred million dollars that in January the Administration requested.

. Q And the last line has a ''no'' written by Dave Fisher and Marty. What does that refer to?

. A I truly don't have any idea.

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[Whereupon, at 6:15 p.m., the deposition was recessed, to reconvene Wednesday, September 2, 1987.]

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ORIGINAL

DEPOSITION OF CARL R. CHANNELL

Wednesday, September 2, 1987

House of Representatives,
Select Committee ~~on~~ to Investigate
Covert Arms Transactions with Iran,
Washington, D.C.

The select committee met, pursuant to call, at 9:00 a.m., in Room 2247, Rayburn House Office Building, Thomas Fryman [Staff Counsel to the House Select Committee] presiding.

Present: On behalf of the House Select Committee: Thomas Fryman, Staff Counsel; Kenneth R. Buck, Assistant Minority Counsel; and Spencer Oliver, Associate Counsel.

On behalf of the Senate Select Committee: A. Thomas McGough.

On behalf of the Witness: Alexia Morrison, Attorney-at-Law, Swidler & Berlin, Washington, D.C.

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under provisions of E.O. 12356
by D. Sirko, National Security Council

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MR. FRYMAN: On the record.

Before beginning today, I want to state for the record that prior to the commencement of the deposition of Mr. Channell, I gave to Ms. Morrison, Mr. Channell's attorney, a copy of the immunity order concerning Mr. Channell, as well as a copy of the resolution establishing the House Select Committee and a copy of the Rules of the House Select Committee.

Mr. Channell, returning to Channell Deposition One for identification, which we were discussing at the time we adjourned yesterday, would you look again in the back of that volume, and the handwritten notes beginning three pages from the back, which have the volume numbers 75935 and 75936, and I believe you identified those pages as in your handwriting; is that correct?

Whereupon,

CARL R. CHANNELL

was recalled [redacted] as a witness and, after having been previously duly sworn, was examined and testified further as follows:

THE WITNESS: Right.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. FRYMAN:

Q Would you read the handwriting that is on page 75935, for the record?

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by D. Sirko, National Security Council

. A I think it says Bruce One--if you can help me--I think it is optimism--Cuban split Sandinistas--it may be numbers--player for freedom numbers.

. Q After that, does it say Congress acts?

. A Congress acts, yes, and down below, it is credibility of Ronald Reagan's peace efforts, and number two is something program of contras, character of the movement. Number three is more smoking guns, objective reporting of eastern ties. Number four is internal repression aspects.

. Q Then after the term eastern ties in number three, there is an arrow and some additional text there. What does that say?

. A Must convey threat to United States interests. Panama Canal and allied nations develop the threat.

. Q And then at the bottom of the page, is there a section beginning ''possible commercials''?

. A Right. Family at--looks like break, but priest in jail, equipment coming off or out of--and Indians getting murdered.

. Q Now, the reference at the top of the page to Bruce Roman I, who does that refer to?

. A This is a briefing that I had from Bruce Cameron, and I was taking notes on what he was saying about the history of our interactions with the Sandinista regime. He was sort of giving me a lecture on important elements of this whole debate.

. Q Do you recall the approximate date of this briefing and these notes?

. A No. It would have been, however, around the beginning of 1986.

. Q Who was Bruce Cameron?

. A He is a Latin American specialist here in Washington.

. Q Was he at some point retained as a consultant by NEPL?

. A Yes.

. Q At the time he gave you this briefing, had he been retained by NEPL?

. A Well, we began to pull aboard some of these people right at the beginning of 1986, so if it isn't, it is very close.

. Q Now, the references at the bottom to possible commercials, were those suggestions by Mr. Cameron or were those your ideas, or was it something else?

. A I think what this probably was was after I had heard him speak, we discussed ideas for messages, and of the ones we discussed, I wrote four down. Must not have been very good. We didn't do any of those.

. Actually, indeed, it has to be early 1986, because later in 1986, we had the commercials done, so this is still very early.

Q Turning to the next page, 75936, that has the entry at the top that ''types who may be invited to dinner.'' What do those notes on that page refer to?

A I am just guessing that this is sort of an outline or something that I was writing for myself.

Q Do you know what the dinner is?

A Well, I am guessing that it was the dinner after the speech by the President to our group on the 3rd of January.

Q And underneath that are notes of possible invitees to that dinner?

A The types of--

Q The types of invitees.

A Yeah, that we would try to think of that might like to come.

Q And at the bottom, there are further notes by you of things to do in connection with that dinner.

A Yes.

Q Now, turning to the last page in the volume, which is numbered 81288, that is headed at the top ''White House Briefing II.'' What does that refer to?

I might also add that further down the page, there is another entry, ''White House Briefing III.''

A Um-hum.

Q Were these briefings that you were contemplating in

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addition to the January 30 briefing with the President? In other words, were these proposed additional briefings with the President?

A Well, we didn't really propose more than one briefing on Nicaragua with the President, but we had these meetings, you know, at the OEOB, which are called White House Briefings.

Q So, is it your recollection that these notes refer to a briefing with some White House employee and not the President?

A Yes, it says, OEOB there.

Q Now, it says down at the bottom July 17 or 18.

A Right.

Q To what year does that refer, do you believe? Would that be--

A 1985.

Q So, this would be notes relating to the very early briefings at the White House?

A That is right.

Q And your first one was in, I believe--

A 27th of June 1985.

Q And these are notes relating to a proposed second and third briefing following that in June or July of 1985; is that correct?

A Yes. As you know, the House voted on the freedom

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fighter bill the 26th or 27th of June 1986, and it was over, so this would have been--I mean useless then for July.

. Q How, the entry under White House Briefings II in your handwriting states, EOB, which I take it refers to Executive Office Building?

. A Um-hum.

. Q And then it states 20 individuals at $10,000 each.

. A Um-hum.

. Q And I believe under that it says also appear at dinner?

. A Calero.

. Q Oh, Calero at dinner.

. A Which he had the first briefing.

. Q What does the line 20, individuals at $10,000, mean?

. A I was trying to think of a budget that we could put together and how much we could bring in with a small group of people.

. Q So, are you indicating there that anyone who attends this briefing would be expected to contribute $10,000?

. A We would try to raise $10,000 for our programs from each of those individuals. The reason why each is underlined is because sometimes people brought their wives, but if you are going to limit it to 20 people, each person counts.

. I am sure you will find throughout all the documents

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of mine, you will find I am continually bringing 20 people, 10,000; 15 people, 15,000, trying to bring a budget together.

MR. FRYMAN: Off the record.

[Discussion off the record.]

BY MR. FRYMAN:

Q What is the writing on the next line on that page?

A White House Briefing III, July--

Q No, above that it reads--the last words in the line are White House.

A Something into somewhere in White House Briefing in EOB.

Q Do you recognize the first word?

A Maybe it is slot--no.

Q All right.

Turning then, again, to the page of notes which you said was not in your handwriting which has the identification number 79113, and has the date indicated at the top, 4-7-85, though the 4 is not completely reproduced, but that is on the original.

There is an entry on the bottom numbered one and two, which states, to raise $50 K for their projects, and then number two, $30 K as their fee for the authorization. Do you know what that refers to--what those entries refer to?

A This is not my note.

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Q I realize that.

A And so, I am going to--you know, the 30--I don't know what number one means except that when Dan was negotiating with Rich Miller, this figure of $50,000 was what was suggested that we as an organization raise to support Calero as a grant, and then the number two, the $30,000 as their fee for the authorization, is I think part of the $50,000, and then when we raised the $50,000, they were going to get--Rich Miller was going to get $30,000 to get us the exclusive authorization to raise money for the freedom fighters in the United States.

I don't know whether you call it a finder's fee or--

Q How, does this relate to the $50,000 check that you gave to Mr. Calero, payable to [redacted]

A Later.

Q Later?

A It may.

Q It may.

A This was three months before that happened, and we--it may. I really--the $50,000 that we gave to Adolfo, frankly, happened to be the amount of money that we raised for that event that night by accident. I mean, we were going to give him everything we raised.

Q So, there is no direct relationship between this reference and that amount?

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. A I don't think so, no.

. Q But it is your recollection that in an early meeting with Rich Miller, he asked that your organizations raise $50,000 for Mr. Calero?

. A Right.

. Q And it was your--

. A Minimum.

. Q Minimum of $50,000.

. A Yes.

. Q And it was your understanding that he indicated in that conversation that of that initial $50,000, $30,000 would go to Mr. Miller?

. A Possibly.

. Q Well, what do you mean by that?

. A Well, I mean that is what could have been part of the--I did not know what they were going to do with the $50,000. I didn't know whether Adolfo was going to give it back to Rich or not.

. Q But apart from this note, Mr. Channell, let me just question you about your recollection of your conversation with Mr. Miller. You recalled Mr. Miller, in one of the initial or early meetings, asking your organization to raise $50,000 for Mr. Calero, or at least $50,000; is that correct?

. A Right.

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. Q And is it correct that there was also a discussion with Mr. Miller about payment to his organization of a $30,000 fee to obtain an authorization from Mr. Calero for you to raise funds on Calero's behalf?

. A Yes.

. Q That is your recollection of a conversation with Mr. Miller?

. A Yes.

. Q Now, how was that $30,000 fee to be paid?

. A I don't remember whether it was to be paid with fees over a period of time or there was just one check.

. Q Was it to be deducted from the funds that you raised for Mr. Calero?

. A I don't remember that.

. Q You are not certain of that?

. A Um-hum.

. Q But your recollection is that there was to be a $30,000 fee to Mr. Miller?

. A That is right.

. Q To obtain authorization from Mr. Calero for you to raise funds for Mr. Calero?

. A Yes.

. Q Now, was that $30,000 ever paid by you or your organizations--

. A I don't know.

. Q --for that purpose?

. A I don't know.

. Q Mr. Channell, we talked yesterday about your association with NCPAC, N-C-P-A-C, and Terry Dolan. Did the organizations that you subsequently founded, NEPL and ACT, work with Mr. Dolan or NCPAC in connection with lobbying for the contra legislation in 1986 in any way?

. A I put Mr. Dolan on a consultant retainer to work with us. He met with us several times and did a report for me--I can't remember everything that is in the report--on the attitudes that he found in the conservative moment, the press, the television media, the Congress, conservative leaders, toward the type of legislation that the President was proposing.

. Q Well, apart from that report, and we will come to that later.

. A Okay.

. Q Was there any other coordination?

. A No.

. Q With NCPAC?

. A No. I urged him to do something every time I talked to him, but that is all.

. Q All right.

. A I don't think they did.

. Q What about--what about expenditures or advertisements in connection with Congressional campaigns in 1986? Was there any coordination between you and your organizations and NCPAC?

. A No.

. Q Are you aware of any advertisements, and I am speaking now of both television and newspaper advertisements, that NCPAC paid for in connection with a Congressional race in Arkansas involving Bill Alexander?

. MS. MORRISON: Can we identify what this has to do with contra fund-raising?

. MR. FRYMAN: Well, the ads I am referring to center on Mr. Alexander's--

. THE WITNESS: Plane ride--

. MR. FRYMAN: His position on the Nicaragua issue and his vote on contra aid, and I--

. THE WITNESS: I thought it was a plane ride that he took.

. MR. FRYMAN: No.

. THE WITNESS: The answer is no. I still think it was a plane ride. Didn't he take--maybe we could have an off-the-record here. Didn't he take a free plane ride someplace?

. BY MR. FRYMAN:

. Q What is your understanding of the issue--

. A I thought he took a plane ride, a free plane

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someplace. I just read about it in the newspapers.

. Q Did your organizations sponsor any television advertisements directed toward Mr. Alexander's District?

. A No.

. Q Did your organization buy ads on the Memphis television station?

. A Yes, someplace in Memphis we did.

. Q And were those purchased with the intention of directing an advertisement into Mr. Alexander's District in Arkansas?

. A No.

. Q Do you know an individual named Jim Bronte?

. A No.

. Q B-r-o-n-t-e?

. A No.

. Q Are you aware that Mr. Bronte or a foundation which he was associated was paying for any advertisements in any Congressional elections in 1986?

. A No.

. Q Do you know a Darryl Glascock, G-l-a-s-c-o-c-k?

. A No.

. Q Have you ever heard of Mr. Glascock?

. A No.

. Q So, I take it to your knowledge, you have never met with a Mr. Glascock?

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A No.

Q Did you ever travel to Arkansas in 1985 or 1986 in connection with the election campaign involving Bill Alexander?

A No.

RPTS CANTOR
DCMN MILTON
[10:00]

. Q Do you know if any of your organizations ever paid for any advertisement or any campaign expense in support of the opponent of Mr. Alexander?

. MS. MORRISON: We are not going to talk about any organization that he has ever had any affiliation with. WE are going to talk about the time period that is relevant to this inquiry. We are going to talk about issues that are related to the contras.

. MR. FRYMAN: Fine. I will limit the question to 1985 and 1986.

. THE WITNESS: No.

. BY MR. FRYMAN:

. Q Do you know an individual named Henry Loeb?

. A Is that the--

. Q This is an individual who lives in Arkansas.

. A Oh, no. I thought it was the editor of the Manchester Union Guardian.

. Q Do you know Louis Lehrman?

. A Lou Lehrman, the guy from New York?

. Q Yes, who has the organization Citizens for America.

. A I have met him, yes.

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. Q Do you know an individual named Dan O'Connell?

. A No.

. Q To your knowledge, was there any coordination between your organizations and Mr. Lehrman's organization in connection with lobbying or other support for the Nicaraguan legislation?

. A No.

. Q Mr. Channell, there was a published report in a newspaper named the Lowell Sun, that profits from the Iran arms transactions had been diverted to your organizations and were used in either political campaigns or in some manner in support of the President's Nicaragua policy, and as I understand it, you have denied those allegations. And my question is, to your knowledge, was there any such diversion of funds to any of your organizations or to you personally?

. A Never.

. Q Are you aware of any information indicating any diversion of Iran arms sales profits to any other domestic organization in the United States?

. A No.

. Q Specifically, are you aware of any diversion of such profits in any way to NCPAC or Terry Dolan or anyone associated with them?

. A No.

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. Q Are you aware of any information indicating that any of the profits from the Iran arms sales were used to purchase advertising time on television stations for ads prepared for your organizations by the Robert Goodman Agency?

. A No.

. Q Returning to Exhibit 1 for identification, Mr. Channell, and if you would turn to the front of the exhibit at this point, and I direct your attention to the third item in the book, which is a memorandum dated April 19, 1985, to Dan Spitz and Crew, and it appears to be signed at the bottom Adam G. Does that refer to Adam Goodman?

. A Yes.

. Q Now, there is a reference in that memorandum where Mr. Goodman says he is enclosing a summary of the research used to define the TV markets selected to reach the 21 targeted congressmen, per Rich Miller.

. A Yes.

. Q How did you understand this targeting was done?

. A I think we discussed that quite extensively yesterday.

. Q I am focusing now in connection with the targeting in 1985, and the reference in Mr. Goodman's memorandum to 21 targeted congressmen, per Rich Miller.

. MS. MORRISON: He just told you he explained that

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to you.

THE WITNESS: That was what we discussed yesterday.

BY MR. FRYMAN:

Q Was it Mr. Miller who did the targeting?

A No.

Q So Mr. Goodman is wrong here when he says ''per Rich Miller''?

A Well, as I also said yesterday, it was my feeling in 1985 that Congressman Kuykendall was actually doing this research, this type of activity, behind Rich Miller, and for a long time Rich Miller then would present to me this research as if it was from him, but later on we discovered that he had been working in close contact with Congressman Kuykendall and I think that was probably what he is referring to there.

Q So if I understand your answer correctly, where Mr. Goodman here says that the congressmen were targeted, per Rich Miller or by Rich Miller, in effect it was your understanding that it was Mr. Kuykendall who was actually doing the targeting on behalf of Mr. Miller?

A I think that is probably the truth.

Q At this point in 1985?

A Yes.

Q Now, in 1985, was Mr. Kuykendall a consultant to any of your organizations?

A No.

Q Was he a consultant or an employee of Mr. Miller's organization?

A I have no idea.

Q In what capacity did you understand he was doing this targeting in 1985?

A As I told you, at that time I didn't know it was not Rich Miller doing it.

Q But it is now your understanding that it was Mr. Kuykendall?

A I think so.

Q And do you now have an understanding of the capacity in which he was doing this in 1985?

A No. By capacity, you mean--

Q Was he volunteering?

A I don't know that.

Q Or was he being paid by some other entity?

A I don't know that.

Q Following this page, Mr. Channell, there are additional pages which appear to be an enclosure with this memorandum, which run from 36091 through 360103, and that appears to be the summary sheets outlining the TV buys that are described in Mr. Goodman's covering memo. Those sheets indicate that the television advertisements, as I understand it, are to be paid for by the American Conservative Trust.

. A Yes.

. Q What was the reason in 1985 that the American Conservative Trust paid for these advertisements, if it is correct that it did, and not the National Endowment for the Preservation of Liberty?

. A This was a lobbying effort, supposed to be a lobbying effort.

. Q And any lobbying effort it was your judgment the expenses should not be paid by NEPL, which was a 501(c)(3) organization; is that correct?

. A That's right.

. Q If you would look at page 36092, there is a market-by-market cost breakdown.

. A Right.

. Q And it indicates much more money to be spent in Washington than in the other cities. What was the reason for that?

. A Where are you? What was the reason for that?

. Q Yes.

. A It was suggested to us that by putting the ads on in Washington, we would get notice by all the political people inside the Beltway as well as the administration.

. Q Who suggested that?

. A Bob Goodman.

. Q And Bob Goodman is the creative director of the

Robert Goodman Agency?

. A He is the head of it.

. Q He is the head of the agency?

. A He is Adam's father.

. Q And it was Bob Goodman's judgment that the bulk of the money should be spent in the Washington market?

. A Yes. I mean, it is one of his rules that when you do political ads like this, you should try to always do something in Washington, heavy coverage in Washington.

. Q There is a reference at the bottom of page 36092 to a contingency fund of $5,000 to be applied to any TV buy which reaches the Greenwich, Connecticut, viewing audience. What was the reason for that?

. A We had a contributor up there that we were hoping to be able to show the ads to on TV.

. Q Was that Mrs. Newington?

. A Yes. She had given some money for that, and we very much wanted her to see what she was doing, how it looks on television, and I think we were having great difficulty or he was having great difficulty getting any television station to take those ads, and at the time evidently he did this, they didn't think they could get on TV.

. Q On page 36103, which is the last page in this enclosure, I guess it is page 10 of the enclosure, there is an indication at the bottom that all congressmen listed in caps are among the 21 representatives targeted by Rich Miller.

Now, if you will look on page 2 of the enclosure--

. A Can you give me the reference number here?

. Q 36095. There is a reference to a buy in the Austin, Texas, market.

. A Yes.

. Q And there is no Congressman identified in capital letters.

. A Right.

. Q But there is a reference to Ellen Garwood as an Austin contributor. What was the reason that there was a buy in the Austin market if there was no targeted Congressman there?

. A We wanted to show Ellen also what we were doing.

. Q And she was one of the major contributors for this program?

. A Yes. She wanted it shown in Texas. It specifically referred to--I think I mentioned to you yesterday that we had several, that we did that as part of our targeting. We wanted to make sure that the contributors were able to see this on their local stations.

. Q So that is another factor in selecting the media markets for these advertisements?

. A Sometimes bigger than you would think.

MR. FRYMAN: I will ask the reporter to mark as Channell Deposition 2 for identification a group of accounting schedules which have been prepared by accountants for the House and Senate committees, from materials provided by Mr. Channell's organization, supplemented by additional materials subpoenaed for Mr. Channell's organizations as well as the Robert Goodman Agency.

[The following document was marked as Channell Deposition Exhibit 1 for identification:]

BY MR. FRYMAN:

Q Mr. Channell, the first page is analysis 2-A and reflects our accountants' summaries of the Channell Company's statement of operations for 1985, and under the project expenditures, the first line, there is an entry for the Goodman Agency.

A Right.

Q And there is an indication in the first column of NEPL expenditures to the Goodman Agency in 1985 of approximately $169,000, and American Conservative Trust state election fund expenditures of approximately $114,000. Is it your recollection that in 1985 NEPL did pay for ads prepared in time purchased through the Goodman Agency?

A Yes.

Q What did those ads relate to?

A They were not involved with lobbying, but they were involved with editorial activities in Nicaragua on the summit meeting in the fall, and something else. We had three projects that we did TV for.

. Q But the ads that are referred to in the enclosure to the memorandum from Adam Goodman dated April 19, it is your recollection were paid for by the American Conservative Trust?

. A That's correct, they were.

. Q If you would turn back to Exhibit 1, and the next document following the Goodman materials, page 36197, which is a telegram addressed to you dated June 6, 1985, from Colonel North, thanking you for your help on such short notice, do you recall receiving this telegram?

. A Yes.

. Q At the time you received it, is it your recollection you had not met Colonel North?

. A That's correct.

. Q Do you know why he sent this to you?

. A Yes. I had given a contributor name to Rich Miller, who had asked me if we could get some money for one of Rich Miller's projects, and I gave him the name of the person that I thought might help him, and said, ''You call him and see if he will help you,'' and he did, and that money went wherever Rich wanted it to go, and then it turns out that Rich had--I don't know whether he was talking to

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Colonel North or what, but anyway, Colonel North sent me this telegram thanking me for helping Rich.

. Q Was this contributor John Ramsey?

. A Yes.

. Q And is it your understanding this reference led to a $10,000 contribution by Mr. Ramsey?

. A Or because of it. I mean, it happened. This came I think sometime after he had done that for Rich.

. Q That's correct, but your referring Mr. Ramsey to Mr. Miller--

. A Yes.

. Q --led to a $10,000 contribution by Mr. Ramsey?

. A That's right.

. Q And it is your understanding that this telegram is in effect thanking you for your assistance in obtaining that contribution?

. A Exactly.

. Q Was this the first time you heard of Colonel North?

. A No. Rich Miller had talked to me about him, and I had heard about him during the Nicaraguan refugee fund dinner preparations. I had heard his name bandied about by that staff, but I had not met him.

. Q In this telegram, he addresses you by your first name or by your nickname Spitz?

. A Right.

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. Q Were you surprised to get a telegram from him addressing you in that fashion?

. A I didn't really think anything about it, frankly.

. Q Turning to the following pages in this volume, Mr. Channell, numbered 34905 through -907, am I correct that this was a list of the proposed participants in the June 27, 1985, briefing at the White House?

. A Yes, the ones that we thought were coming.

. Q Who prepared this list?

. A Oh, I think this is probably from our office. I don't know which secretary did it, but I think it's from our office.

. Q And it was following this briefing on June 27 that the check for $50,000 was presented to Mr. Calero; is that correct?

. A Exactly.

. Q Turning to the next two pages, one is numbered 37810 and one is numbered 34802, and they are two separate copies of a letter to you from Colonel North dated August 15, 1985. Do you recall receiving this letter?

. A Oh, yes, I do.

. Q What is the reason that there is a confidential stamp on one copy, which is page 34802, and the stamp does not appear on the other copy?

. A I think my original that I have framed at the house

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is this.

. Q Is which?

. A The first one, the non-confidential. I think when we sent this out to the world, we put confidential on it.

. Q So the confidential stamp was placed on there by someone in your organization?

. A Yes.

. Q What was the reason for that?

. A To heighten the interest of people in reading the letter. It's what you might call a marketing technique, but my original framed at the house doesn't have any confidential.

. Q What use did you make of this letter?

. A We sent it to the people that I knew around the country, as many as I could list, to show people that we were trying to help the President and that help was being noticed, and we were getting a response from the White House. I think everybody that was on this list that came to the meeting got a copy of the letter. Lots of people wanted to come to the meeting that I knew got a copy of the letter who couldn't come, mailed it all over the country, hundreds and hundreds and hundreds of copies.

. Q Was there a cover letter that went with it?

. A I think we sent it with a whole packet of information. We had gotten some very good brochures from the State Department. They were publishing books,,not books but pamphlets on what was happening in Nicaragua. We took the material that we received on the 27th of June from the public liaison office. They had speeches by the President. They had statements by the Secretary of State. They had articles from magazines, all types of things, and put them all together in packets, enclosed this letter, and sent it all over the country.

. Q Am I correct that you used this letter then in your efforts to raise additional funds?

. A I don't know whether we were asking for money when we did that. My deal with this was to tell people that we were out there working, and to send it to everybody who had supported us on Nicaragua so far that year, to show that their activities had some effect.

. Q Did you consider that distributing a letter addressed to you from a staff member of the National Security Council added additional credibility to your organization?

. A Sure. As I said yesterday, anyone who works in the White House that will help and give any credit to any organization is respected, appreciated.

. Q Did you know who wrote this letter?

. A No.

. Q Did you request it?

. A I had asked, several times asked Rich Miller if we could get a thank-you letter sometime for our efforts, and he said maybe. As you know, the bill was passed in May or June, and this is three months later, so there was nothing going on in July or August that would have any relevance.

. Q Do you know if Mr. Miller was involved in drafting this letter?

. A I really don't know. He may have been, because I think that was part of his activity, but I have no idea if he did.

. Q In the second paragraph, Colonel North says that your paid advertising in support of the President's program ''was critical to our success.'' Do you agree with that statement?

. A Well, I would like to think so. I have always believed that the more people help, the greater chance of success. The fewer people help, the less chance of success, and with this type of thing, unless you do a very great deal of in-depth track polling afterwards, you can't be sure what impact you have had, and so I have never gone around the country saying we did this, that or the other. I have always been pleased that we had the opportunity to help, but I just don't believe any one activity in politics is most of the time decisive. Once in a while that is true, but to my knowledge and experience, it takes a whole group of activities to move something, and we were just doing one, but I appreciated that anyway.

. Q The vote occurred in June of 1985?

. A I think that was the final House vote that time. I think they voted two or three times on that bill, starting in the 18th of March or something.

. Q If you would look at the next pages, which are two pages from the Goodman Agency that have your numbers 75618 and 75619, which are dated August, 1985, and refer to a freedom spots television placement profile: costs and operations. What was this plan or program?

. A We were going to do some ads. I am trying to think. We did very, very few, if any, as a matter of fact, on this.

. Q My next question was, was this implemented?

. A I think a little maybe.

. Q But before you answer that question, what was the purpose of this program, if there was no pending Nicaragua legislation?

. A It wasn't part of Nicaragua. It was something else we were going to do, some other program. We did something on the 4th of July. You know something, isn't that ridiculous, I really don't remember.

. Q So the caption at the top ''Freedom Spots'' is not a caption that refers to advertisements related to

Nicaragua?

. A I don't think so. Again, as I told you yesterday, Bob Goodman entitled these ads with phrases that sometimes I didn't know, they may be referring to something else, but this was after, of course, the freedom fighter bill was passed, long after at this point.

. Q Turning to the next page, which is 29694, which is a copy of a telegram from Colonel North to Mr. A.R. Hixon, and it is dated September 13, 1985, who is Mr. Hixon?

. A He is a friend of mine in Dallas, or Arlington, Texas, actually.

. Q And did you arrange for Colonel North to meet with Mr. Hixon during the same trip where he met with Mr. Hunt and Mrs. Garwood?

. A Yes.

. Q Is Mr. Hixon--has he been a contributor to your organization?

. A Yes.

. Q Do you know if Colonel North discussed with him any of the needs of the resistance fighters in Nicaragua?

. A I mainly introduced Ralph to Colonel North because Ralph is a very close friend of mine, and Ralph is a very devoted Christian, and the only thing I know about that meeting is that they shared a prayer together.

. Q Were you present?

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. A I [illegible]sent.

. Q How do you know what occurred during the meeting?

. A Because I saw them through the glass praying, and the meeting I think lasted five minutes or so.

. Q Where did the meeting occur?

. A In the airport, Love Field in Dallas.

. Q Turning to the next page, which is numbered 30034, which is a memorandum to Rich and Frank from Don Conrad.

. A Yes.

. Q Dated September 30, 1985, concerning objectives, I take it Rich and Frank refers to Richard Miller and Frank Gomez?

. A Yes.

. Q Is that your understanding?

. A Sure.

. Q In this memorandum Mr. Conrad lists various requirements for the month of October, including several meetings with President Reagan and your contributors. Were you and Mr. Conrad thinking at this point of the importance of arranging meetings with the President and your contributors?

. A Yes, but we had thought about that six months ahead of time.

. Q Had you succeeded in September, 1985, in arranging any of these meetings?

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. A No.

. Q How many did you succeed in arranging before you retained David Fischer?

. A One

. Q And that was with Mrs. Newington?

. A Yes.

. Q How was that arranged?

. A Through Rich Miller.

. Q Did you attempt to arrange others?

. A Yes. We had given him a list of people we thought the President should try to thank for their help, but he didn't do it.

. Q And you indicated yesterday that one of the reasons for retaining David Fischer was to hopefully achieve greater success in access to the Oval Office for your contributors; is that correct?

. A That was one of the objectives.

. Q There are several references in this memorandum to Pat Buchanan, particularly lines 8 and 12. Had you had any contact with Mr. Buchanan at the time of this memorandum?

. A I think I may have met him once.

. Q Do you know if Mr. Conrad had had any dealings with him?

. A I don't think so.

. Q Do you know if Mr. Miller had?

. A I don't think so.

. Q Is it your understanding that Mr. Buchanan had any role in the targeting of congressmen for your advertisements earlier in 1985?

. A No.

. Q What did you understand Mr. Buchanan's role was in connection with Nicaragua in 1985, if any?

. A I think it was a public understanding that he was trying to help inspire the President on Nicaragua. I'm not sure. I guess he was just the new communications director at that time.

. Q Was it your understanding that he had any role in the lobbying campaign in 1985?

. A I don't even think he was in the White House then.

. Q So the answer is no?

. A Oh, yes. No.

. Q Is it your understanding that he had any role in the lobbying campaign in 1986?

. A I assume--I mean he wrote the article for the newspaper, which made a lot of Democrats on the Hill very mad, and I suppose he was working with White House lobbying. I don't know. He was doing nothing with us.

. Q Are you aware of any role he had in targeting congressmen?

. A No.

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. Q In 1986?

. A No.

. Q The next pages in, in Exhibit 1, Mr. Channell, which have numbers 34899 through -904, and then 35539 and 37516 all relate to persons attending the October briefing or the program, the October briefing; is that correct?

. A Yes.

. Q And were these pages prepared by your organization, if you recall?

. A I don't know. They look very well organized.

. Q Does that indicate that they were or were not prepared by your organization?

. A Maybe not.

. Q Are these pages consistent with your recollection of the individuals who were invited?

. A Yes.

. Q To attend the October briefing and the program of the briefing and the dinner after the briefing?

. A Yes.

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DCMN MILTON

. Q Turning then to the following pages, 34922, 349~~7~~23 and 27084, are those similar pages with respect to the November briefing?

. A Yes, those first two are a briefing, obviously at the White House is a briefing.

. Q And those pages are consistent with your recollection of the persons invited to attend?

. A Yes.

. Q The November briefing and the program of the November briefing as reflected on 27084?

. A Yes.

. Q Is that correct?

. A Yes.

. Q The next page, 29887, is a letter to you from Mr. Calero dated December 5, 1985.

. A Right.

. Q In the next to the last paragraph there is a statement that ''we need $50,000 through the holiday season. Please help us to sustain those who have stayed behind so that those of us on the front lines can survive.'' What did you understand this request to involve?

. Let me rephrase the question in another way. You indicated yesterday that the origin of the Toys account was

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a request for funds for Mr. Calero.

. A That's correct.

. Q Around Christmas of 1985. Is this letter related to the creation of the Toys account?

. A That's correct.

. Q And you established the account after receiving this letter, and any funds that you raised in response to this letter were attributed to that account; is that correct?

. A Well, we were going to try to raise money for about a month and a half at Christmas time, and into January, and put all of that money in this Toys ledger, separate from everything else we were doing, so we wouldn't lose it, and then write him a check.

. Q And is that what you did?

. A Well, we wrote him a 26--we weren't able to raise all that we hoped, but we did give him $25,000 later.

. Q And that was funds that you sent directly to one of Mr. Calero's accounts, and you did not send those funds through Mr. Miller's accounts at IBC or in the Cayman Islands?

. A Absolutely correct.

. Q Turning to the next page, which has your number 78820, and it's dated December 18, 1985, and it's headed at the top, ''As of today, 43 groups have agreed to be

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participating organizations.'' What do you understand this to be a list of?

A This is a list of all those organizations that were going to participate in the annual Conservative Political Action Committee conference that is held formally late in January or February of every year, and this was an enclosure to all of the participants telling them that all of these other people were participating.

Q Where was this conference held in January of 1986?

A Here in Washington. It's an annual event, been going on for 10, 15, 20 years.

Q It's always held here in Washington?

A It's always held in Washington, either in very late January or February. The President has always spoken. It's a three-day seminar, pep-rally deal.

Q Who organizes this seminar?

A The American Conservative Union in conjunction with 43 other groups. If I might say, this was sent to me because they sent us a draft of the magazine that they put out, and all these people were going to get mentioned, and they were sending this out to show who was doing what and asking us to buy some ads in the magazine, that is why the name is circled.

Q One of the organizations on there is Grow Washington, and your name is by that. I believe you indicated yesterday that that was always an inactive organization; is that correct?

A That's right.

Q The sheet indicates that it was prepared by an individual named Tish. Do you know who Tish is?

A I guess it's their secretary working on the conference.

Q There is also a handwritten note at the bottom to you from Bob Dolan.

A Yes. Bob Dolan was the head of, I think, Young Americans for Freedom, who at this conference was deposed by--either sat by the President on Friday night and he was voted out of office at 2:00 a.m. Saturday morning in the hotel room.

[Discussion off the record.]

BY MR. FRYMAN:

Q Do you know if Bob Dolan was related to Terry Dolan?

A There is no relation at all.

Q Do you know if Bob Dolan has ever had any position in the Executive Branch of government?

A I don't think so.

Q Turning to the next page, 75736 and 75737, which appears to be an accounts signature card for the National Endowment for the Preservation of Liberty at the Irving

Savings Association, and it appears to have your signature on it, did NEPL have an account at the Irving Savings Association?

. A Yes.

. Q Where was that located?

. A Irving, Texas.

. Q What was the reason you had an account in Irving, Texas?

. A One of my devoted friends called me up and said, ''I want to help NEPL. I'm going to give you $5,000, and I would like you to put it in the Irving Savings Bank in Texas, and as my help for NEPL, I'm going to let you keep the dividends.''

. Q And that was the reason for opening this account?

. A So far as the dividends have amounted to maybe $12, maybe a little bit more than that.

. Q Have there ever been any funds of any of your organizations deposited at the Irving Savings Association?

. A No.

. Q Other than that $5,000?

. A No. I'm not sure why this contribution was given in the way it was, but we have appreciated everything from time to time.

. Q Who was the donor of that amount?

. A A Mr. Sommers, S-o-m-m-e-r-s, Charles Sommers.

. Q Turning to the next item, Mr. Channell, this is a memorandum that begins on 75677, and continues through 75690, you referred earlier to a consulting arrangement that your organization had entered into with Terry Dolan. Was this memorandum one of the products of that consulting arrangement?

. A Yes.

. Q What was the reason for retaining Mr. Dolan as a consultant?

. A If I might answer that in a larger framework, this was a specific proposal from Mr. Dolan to us for lobbying, and we had asked 10 to 15 organizations in Washington to submit to us proposals for our entire program on Nicaragua, as if they would get the contract to manage the program, and help it subcontract out to other people, to manage a very great program, and we asked for general proposals from at least 10 to 15 organizations in Washington.

. Terry Dolan, you may not know, had an independent firm, and this was prepared by his independent firm for submission to us, proposing that he do this part of the work for our program, and this was his original formal proposal on the lobbying.

. Q Am I correct that the proposal was not accepted?

. A That's right.

. Q What were the other organizations that were asked to submit proposals of this sort, as you recall?

. A Edelman, who eventually helped us out a lot. Edelman actually was the one chosen, in conjunction with IBC, to help co-manage this entire program, and I'm sure you have talked to Dan Conrad in his ''to do'' list from September through December, 1985, there are all these strange names and groups of strange names that appear once, and it's from all these public relations and lobbying firms all over Washington. In fact, we even went to New York twice to talk to people.

. Q Do you recall the names of any others?

. A No. They are the big ones, though.

. Q Was Bozel and Jacobson?

. A He was one of them, Blackman, I think, was one of them. I'm not in that business anymore. In fact, I wasn't allowed--Dan said that I should not meet with any of them, because I poisoned the waters all the time by coaching them, and there are many that I didn't meet that he met for three months with these different groups all over the place.

. Q Was Mr. Conrad the one who selected the firms to be asked to submit proposals?

. A Yes, he was, right.

. Q Was Mr. Dolan paid for submitting this proposal?

. A No. He was paid for his advice to us.

. Q Which was unrelated to this proposal?

. A Yes. It wasn't part of this. Of course, part of his brains were in it, but it was not directly related to carrying out this proposal.

. Q What was the name of his company?

. A I don't remember. He had another venture that he was working with it that did not work. I really don't remember.

. Q What use did you make of this proposal submitted by Mr. Dolan, if any?

. A We rejected it.

. Q Did you use any of the ideas in it?

. A Not directly that I recall. The philosophy of it, of course, was incorporated in our thinking, when he helped us out during the winter as a consultant, I'm sure he referred to some of this.

. Q If you would turn, Mr. Channell, to the rear section of this volume, and the memorandum with the heading ''Central American Freedom Program,'' which begins at page 33546 and runs through 33559.

. A Got you, right.

. Q What was the origin of the memorandum that I have just identified headed ''Central American Freedom Program,'' and when I say what is the origin, who prepared this memorandum?

. A I had written some of the draft for it, and Rich

Miller's group formalized it, defined it, and put it together.

Q When was this memorandum finalized?

A I think we had these in the winter of '86, which would be the early part of '86. This was, I think, one of the ones we had printed and distributed throughout the world.

Q Was this prepared by the time of the January 30, 1986, White House briefing?

A It should have been. I don't know whether we had had it printed or not, but that was our goal, to have it for that meeting. He might have just had it Xeroxed because of the printing taking longer than we thought.

Q And it was widely distributed?

A Yes, we mailed this all over the place, to the press. Every time we had a press conference in '86, this was one of the enclosures for the press.

RPTS MAZUR

DCMN DONOCK

11:00 a.m.

. Q Now, when you say you had it printed--I mean, you had a typeset in a fashion different than the copy that is in Exhibit 1?

. A Oh, yes. This was in a blue binder.

. Q So, it wasn't a matter--when you say printing, it wasn't a matter of just running this off--it was a typeset, more formally printed brochure.

. A Right.

. Q Was the Central American Freedom Program brochure or memorandum based on the proposal by Mr. Dolan which we have been discussing?

. A No. I think this was already in the process of being done, because we had worked on this a lot in early December, or throughout December, and I think we began talking with him in mid-January, very close to the meeting.

. Q Well, Mr. Dolan's proposal is dated January 6, 1986.

. A Well, the meeting was what, two, three weeks later.

. Q But it is your recollection that you began drafting the Central American Freedom Program in December of 1984?

. A Or earlier.

. Q And you worked on the initial draft?

. A Yes.

. Q And Mr. Miller worked on the draft?

. A Yes.

. Q Was Mr. Fischer involved in this draft?

. A I don't remember that he was.

. Q Who else do you recall was involved in preparing this memorandum?

. A Well, Dan Conrad would have gotten a chance to hack it up, and I imagine Dan Kuykendall would have had a chance to look at it also. I am not sure that he did, but just--think.

. Q Do you recall anybody else?

. A Not really.

. Q Off the record. Why don't we take a five-minute break at this point?

. [Recess.]

. BY MR. FRYMAN:

. Q Mr. Channell, do you know if the memorandum that we have been discussing on the Central American Freedom Program was given to Colonel North either in its written form or in the printed form?

. A I did not give it to him, but I have a very strong belief that it was given to him because we were dealing with him, talking about the program, excited about the program, discussing the types of activities we were hoping to engage in with the program.

It was used at all of the briefings--if it wasn't used at the January 1, it was used from then on out, because it was printed, I think, shortly thereafter, and it was handed out at all of the briefings.

Rich Miller was instrumental, of course, in this, and it is my belief that he was in contact with Colonel North from time to time about these activities. I just--I just believe--and then it is very possible Dan Conrad actually gave him a copy.

Q Was Colonel North consulted in connection with the drafting of this memorandum?

A No, not by me, nor by my instruction.

Q And you are not aware of any consulting with him about--in connection with the drafting of the memo?

A No. One reason why I would not have even have thought of it was that I have consistently believed that he knew very little about domestic politics and the domestic political election campaign process. I don't think--other than the fact that he was concerned about opposition in the Congress to the freedom fighter bill, I don't think I ever heard him mention anything about domestic politics.

Q Did you ever have any discussions with Colonel North about targeting Congressmen?

A No.

Q Did the memorandum which we have been discussing on the Central American Freedom Program become the outline for the public education lobbying campaign that your organizations followed in 1986?

. A The philosophy of those projects is deeply embedded in that. As you know, since we had to raise money as we went along, some of the programs we could do, some of the programs we couldn't do. Some of the programs we could do a little of. A lot of the television we could not do because we were not able to raise enough of the money we hoped to raise in time.

. Some of the speakers' programs had to be curtailed because of money and time, but the philosophy and the ideal situation was in that--embedded in that document.

. Q If you would turn now in Exhibit 1 to a letter which you sent to Mrs. Julius Pierce dated January 16, 1986, and it is a document numbered 29521--

. A Why don't you just let me use yours? They are not consecutive.

. MR. FRYMAN: Off the record.

. [Discussion off the record.]

. MR. FRYMAN: Could you read the question back?

. [Whereupon, the reporter read the record as directed.]

. MR. FRYMAN: As well as what appears to be the enclosure to that letter, which are documents 29522 through

25--or through 29525. My question particularly--

THE WITNESS: These are a year apart. January 16, 1986; February-March, 1987. It is impossible to have sent this as an enclosure, with all due respect.

BY MR. FRYMAN:

Q Well, you have indicated that pages 29522 have references to events in 1987. Would you look at the substance of those pages and see if that refreshes your recollection, if there was such a program in 1987?

A There was not.

Q There was not. So, does that indicate to you that the 1987--on these pages is a typographical error, and it really refers to 1986.

A No. This is a program that I hoped to carry out during the time period when the $40 million was being debated again here in Congress this year, and we were going to try to carry out a grass-roots program the rest of this year. We didn't know whether the 40 million was going to get voted on. That is why you notice it is February and March, because that was the time frame in which we thought it might happen.

I wrote this, I think, in January of 1987, hoping that we could get something started. We never did, but it is not at all related to my letter a year prior to Mrs. Pierce. Are you trying to relate them?

. Q Well, you have answered my question. I was trying to determine, number one, if they were related.

. A Oh, I see.

. Q And your answer is they are not. I was also trying to determine if this document was related to the Central American Freedom Program memorandum that we have been discussing.

. A No.

. Q I had--because of the order in which the materials were produced with the numbering sequence, it had appeared at least on first viewing that this was the enclosure, and the 1987 reference was a typographical error, but in response to my question, your answer is that is not the case, and the dates are correct and this was not the enclosure.

. A Correct.

. Q And this relates to a planned program in 1987 that never occurred.

. A Correct.

. MS. MORRISON: Sure, it will amaze you the things that were planned in January of this year were overtaken by events in subsequent months, and many of them didn't get fulfilled.

. MR. FRYMAN: All right.

. BY MR. FRYMAN:

. Q Turning to the next series of documents--

. A I am sorry; I didn't hear your statement.

. Q Turning to the next series of documents, which is on the stationery of the Robert Goodman Agency, and headed American Conservative Trust, Freedom Fighters TV National Spot Program, and begins with page 77196 through 77210. Do you recall approximately when this group of materials was prepared?

. A It would have been in December or--well, it has here 21st of January, so it would had to have been before the 21st of January.

. Q The 21st of January appears on page 77200 through 77202, on a page which appears to be the text of an advertisement or for three pages, that is the text of three separate advertisements. Is it your recollection that all of these materials were prepared at approximately that date?

. A I would think so.

. Q Now, if you would look at page 77198, there is a summary on that page which indicates that the purpose of the campaign is to reach those incumbent Congressmen which have shown a lack of resolve and firm commitment on the issue of helping the contras in Nicaragua, and it goes on to say that a list of these Congressmen has been drafted on the basis of both their general voting record and their position on three key votes.

Do you know who drafted that list?

A I again am assuming that Rich Miller worked with Dan Kuykendall to do that.

Q Were you involved in the drafting of that list?

A No. I mean, I would get the proposal and then I would have a chance to work with it after it was put together. I mean, that is--I think that is what you are asking.

Q So, you would make the final decision as to--

A I had to spend the money.

Q So, therefore, you made the final decision as to where the advertising buys were made?

A As you know, or maybe you don't know, because you do not work with him, these companies give you their ideal program, hoping that it will be attractive enough, or you will find the resources to buy into the entire program. It is very rarely the case that anybody has enough--we have never had enough money to be able to do that.

We have had to choose later or run fewer ads, or whatever.

Q These scripts that are page 77200 through 77202, as well as the other pages, indicate that these ads are to be paid for by the American Conservative Trust. What was the reason that it was proposed that the American Conservative Trust pay for these ads instead of NEPL?

. A I think this is simply a mistake on Adam Goodman's part. He sent us a lot of mail to the American Conservative Trust.

. Q When you say you think this was a mistake on his part, do you mean that you consider these to be appropriate ads for NEPL?

. A Yes.

. Q Why was that?

. A Because they are not ads that are lobbying, and we are not talking about any legislation. We are talking about education.

. Q What in your mind was the distinction or the criteria for distinguishing between ads that constituted lobbying and advertisements that constituted education?

. A Our IRS designation stated that lobbying is for--they have a definition of lobbying to signify a lobbying organization. You have to follow those guidelines, and in our IRS certification, there is a definition that you have to follow.

. Q Well, focusing on these three particular ads where you have the scripts here, Mr. Channell, why do you consider these to be appropriate advertisements for NEPL?

. MS. MORRISON: He just told you, because they were educational and not lobbying.

. THE WITNESS: They are informative and educational.

and they do not point to a piece of legislation or asking people to support a piece of legislation, nor asking people to do anything except to listen.

BY MR. FRYMAN:

Q So, lobbying ads are ads that refer to particular pieces of legislation?

A Yes, focus of legislative activity. That is what our IRS designation said to us.

BY MR. OLIVER:

Q. That means that is the way you interpreted your IRS designation.

MS. MORRISON: He said that.

BY MR. OLIVER:

Q That is what your lawyers--

A Our lawyers.

Q Did you take this particular program to your lawyers to determine whether or not it would be a violation of your IRS status?

A We took the ads. We always worked out the wording and that type of thing with the lawyers.

BY MR. FRYMAN:

Q This is Mr. Herge?

A Yes.

Q And he, as a matter of course, would review a copy of your advertisements.

. A Oh, yes, sure.

. BY MR. OLIVER:

. Q My question was, did you take this package with the covering memo from the Robert Goodman Agency indicating this was directed at certain Members of Congress during a period prior to a vote and ask whether or not this would be a violation of your tax status?

. Did you take that to your lawyer?

. A I don't remember doing that personally, but it is very possible we mailed it to him to show, you know, everything that we were doing, but I didn't hand it to him.

. Q Did you ever receive a written opinion from him as to the--whether or not that would affect your tax status?

. A It was all done on the telephone. Not only ads that we wrote--that I wrote, but ads that someone else would propose for us would have to be approved by--

. BY MR. FRYMAN:

. Q If you would turn to the next page in Exhibit 1, which is numbered ~~81077~~ 81707, which is a plan of action to lobby Congress for military aid for the Nicaraguan resistance by Bruce Cameron and dated January 24, 1986, what is this document? Is this a proposal by Mr. Cameron?

. A If you will give me a second, I would like to take a look at this. I guess it is a proposal of sorts.

. Q Did you ask Mr. Cameron to make this proposal?

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. A I could have, or Rich Miller did. He is speaking here about some of the things that I would not have known as much about this as Rich would have, and Rich was hoping that we would be able to bring him in to help us.

. Q When did you first meet Mr. Cameron?

. A Some time in early 1986.

. Q And what did you understand his position was at that time?

. A As I have told you, that--about a half-hour ago--I understood that he was a lobbyist or specialist, both probably, in Latin American affairs with some influence in Washington, both among journalists and the media people and on Capitol Hill.

. He had a particular knowledge of Latin America, expertise on Latin America.

. Q Did you understand that he had formerly worked for the Americans for Democratic Action?

. A I learned that, yes.

. Q Did you consider that he had particular acceptance among Democratic or liberal Members of Congress?

. A Well, he said that he met with a group frequently.

. Q Did you retain Mr. Cameron as a consultant in 1986?

. A Yes, through IBC some of the time.

. Q To do what?

. A To help us meet with the Democratic members of the

House and create a relationship of bipartisanship with the Democratic members of the House.

Q Now, was that retention in response to this document dated January 24, 1986?

A May be. I--I frankly don't remember reading this, but I am sure he said this to me in various ways personally; however, these are--for some reason, these are--I have read it because this is my writing, but it looks like I was going to give it back to Rich or something because there are lots of questions on it.

Q Did you understand that Mr. Cameron was associated with some organization?

A Yes. He had an organization, a very small organization. I can't remember what the name was.

Q Was that called the Center for Democracy in the Americas?

A Could be. I can't remember the name, but that could be it.

Q Did he have an associate in that organization named Eric Singer?

A I don't know. He had--he had an assistant or something like that. I am not sure--I can't remember the name, but he had somebody working with him to do research, and I think just keep the office. I met the person two or three times.

RPTS CANTOR

DCMN MILTON

[11:45]

. Q Mr. Channell, if you would look again at Exhibit 2, and the second page of that exhibit, which is headed ''Analysis 2-B,'' under the project expenditures, there is an indication that NEPL paid $16,000 to Bruce Cameron in 1986.

. A Yes.

. Q Do you recall such a payment?

. A Well, I'm not sure that was the total, but we paid him.

. Q NEPL paid him?

. A Yes.

. Q And if you will look on the next page, there is an indication that Sentinel paid $40,000 to the Center for Democracy. Do you see that?

. A Yes.

. Q Do you recall a payment by Sentinel to such an organization?

. A Well, I know we paid that, yes.

. Q Now, what was the reason for those payments?

. A Well, Bruce did some, we thought, some activities which would be lobbying, and some activities which were like he met with me and when we had our meetings on the editorial program, he would be there to help discuss editorial program and bring his knowledge of Latin America, which is rather unique but very extensive, to our understanding of the editorial program, and our creation of our speakers program, and he was not there for lobbying purposes. He was there to strengthen the editorial program, to brief me, to introduce me to people from Latin America, who were involved in this issue that we did not know, would have nothing to do with the lobbying program, so we paid him partially from NEPL for an editorial aspect of his work, and then we paid him for direct lobbying activities up here, from Sentinel.

. Q How was it determined the amount that would be paid by NEPL and the amount that would be paid by Sentinel?

. A I think it was based upon the time and what he had worked with, with us.

. Q Was that a judgment that he made in his billings and you just paid according to which organization he billed, or was that a judgment that someone in your organization made?

. A Both.

. Q And you recall there were discussions?

. A There were.

. Q Back and forth?

. A Yes, and also with Rich Miller on this account.

. Q Did Mr. Cameron work for Mr. Miller and IBC apart from his work for your organizations?

. A Did he ever do that or--

. Q Are you aware that he did that?

. A I am not.

. Q You indicated earlier that he worked for Mr. Miller's organization, and we have been discussing some direct payments from your organizations to Mr. Cameron, and my question is, are you aware of other work that he was doing for Mr. Miller?

. A Not directly for us, to my knowledge, not directly for us.

. Q Are you aware of work he was doing for Mr. Miller on other matters?

. A No, but they had dealt with each other before I was introduced to him. They had dealt with each other before I met him. I met him through Rich. Rich had recommended that we bring him on board to help us, because of his expertise.

. Q Mr. Channell, turning to the next page in Exhibit 1--

. A If I might extend that a hair, down here at the proposal, I have a breakdown of billing.

. Q That is in your handwriting?

. A That's right.

. Q On document 81707?

. A That's right. That would have been a clear indication that we were going to be working with him on at least two aspects of our work.

. Q Turning to the next page in Exhibit 1, 29659, which is an example of a letter from Mr. North dated January 24, 1986, to one of your contributors, this one specifically is to Dr. Adamkiewicz, and there are a number of similar letters in the files produced by your counsel to other of your supporters under the same date, and indeed it appears that this letter was sent to all of your supporters who participated in the January 30, 1986, White House briefing, were you aware that these letters were being sent?

. A Yesterday you asked me to look at a note which I had sort of like my own little ''to do'' list, and one of them is thank-you letters from Ollie, and I said to you yesterday that I probably would have had that in December. It's my belief that this is the answer to my request of December, because you will note ''all my best for the new year, and God bless you.'' We are already into the second month almost of the year, so this was probably a six- or seven-week hiatus from my request for an end-of-the-year letter, and of course this was a week before the event, so he couldn't have written the people who came to the January meeting because they came to the January meeting, as I understand this is a week prior to the meeting.

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. Q Is it your belief that this was a letter that was written to the persons who had contributed to your organization in 1985?

. A I think that is what it was, yes.

. Q Who prepared this letter?

. A I don't know.

. Q Do you know if Mr. Miller was involved in it?

. A I do not know at all.

. Q In the next to last paragraph there is a sentence which reads: ''In the weeks ahead, we will commence a renewed effort to make our assistance to the democratic resistance forces even more effective. Once again your support will be essential.''

. What do you understand that refers to?

. A Well, he was aware that we were going to mount a major program to support the President when the new legislation was proposed. I guess that is what he is referring to, although the legislation I think, maybe at about this time it was formally proposed.

. Q The sentence, ''Once again your support will be essential,'' do you understand that to be a request by Colonel North to your contributors to make further contributions to your programs?

. A I never read it that way.

. Q How would you read that?

. A That he was encouraging these people to support the President.

. Q And was he also encouraging them to make contributions to your organizations?

. A As I said, I just never read it that way.

. Q How else would they support the President?

. A Well, they could support the President by supporting, you know, doing anything they wanted to, supporting lots of programs.

. Q In the sentence in that paragraph which is above, it refers to the fact that the person can be proud that you have made a ''crucial contribution,'' in helping our President. Do you understand that to refer to a contribution to one of your organizations?

. A He could have meant that. You know, you are asking me what he was thinking when he wrote this letter.

. Q No, I'm asking you--

. A I'm not him.

. Q What you understand the letter to mean when you read it?

. A Well, frankly I never pay any attention to it. I just thought it was a mass thank-you letter and encouraging people to stay with the effort and to support the President and stay active.

. Q But it was a letter that you asked be sent?

. A Yes.

. Q And what was your reason for asking it to be sent?

. A Well, my original request was that he send a thank-you letter to everybody at the end of the year.

. Q A thank-you letter for contributions to your organizations?

. A For all of the help. Well, not necessarily to mine, but for all of the help that these people had done, whatever it was, in 1985. Just that, a thank-you letter and happy New Year.

. Q Turning to the next group of pages beginning 34924 through 34926, and then 30176 and 31739, these pages appear to relate to a White House briefing on January 30, 1986, although 31739 is dated January 31, 1986. First let me ask about the list of briefing attendees on 34924 through 34926. Is that a list consistent with your recollection of the persons who were invited to the January 30 briefing?

. A Yes.

. Q And is 30176 consistent with your recollection of the program for the January 30, 1986, briefing?

. A Yes.

. Q Do you know why there is a separate page for a briefing on January 31, 1986?

. A Yes.

. Q What is it?

A This was a big public briefing in room 450 of the EOB. You could get 300 people in there. It was part of their outreach program on this issue. It just was interesting that we had a meeting, I think, on a Thursday and they had a meeting on a Friday or something like that.

Q So that is unrelated?

A We were invited to that.

Q When you say ''we,'' who do you mean?

A I was invited to this.

Q Were all of your contributors invited to this?

A No, just me.

Q Did you attend this second briefing?

A No.

Q And so far as you know, your contributors did not attend the January 31, 1986, briefing?

A Right, 450 is a theater-style room, where the President makes major public statements. It's all keyed for media and television lights. It's interesting that Ollie would be giving the update.

Q Turning to the next document, Mr. Channell, which is a letter to Mr. Conrad from Steven Cook of the Edelman public relations firm dated February 5, 1986, and has your control No. 76225 and 76226, did NEPL enter into a consulting arrangement with the Edelman firm?

A Yes, we did.

. Q And is this letter the basis for the consulting agreement?

. A It might have been. I don't remember this letter.

. Q Are the terms consistent with your recollection of the consulting arrangement with the firm?

. A Generally. I don't even remember the amount of money. It may have changed.

. Q What was the Edelman firm to do for NEPL?

. A IBC, frankly, they considered themselves too small to run a national publicity effort, to get our news out, to get our--we had tapes for our documentaries that we had made on Nicaragua. We wanted to beam them up by satellite, and shoot them all over the country, to television stations where they could record them and then use them. We wanted to send out a lot of speakers, eight or ten teams of speakers around the country, to talk about what life was like in Nicaragua, and this was an effort to be a national program, but we just didn't have--nobody had the staff to do that, and when I checked with IBC, they said they just didn't have any of the capability at all. They didn't have any of the professional people, and therefore they would suggest that we would go to somebody else that was a national firm, different businesses all over the country that would help handle this, people that could work with press releases and try to get us on television, when I had a press conference, for instance, and so we chose Edelman to do that, simply because we were hoping to have a much larger framework to deal with than either my organization or IBC could handle.

DCMN SPRADLING

. Q So their responsibilities were limited to these particular areas of press relations and arrangements, speaking tours?

. A Publicity, that's right.

. Q As a national TV hookup.

. A Yes.

. Q Of some sort.

. A Yes.

. Q You mentioned earlier when we were talking about the lobbying proposal by Mr. Dolan that similar proposals had been sought from other firms, and you mentioned the Eddleman firm.

. A Right.

. Q In connection with that. Were they involved in the lobbying effort?

. A No, we didn't choose them for that.

. Q Did they make a proposal with respect to that?

. A Yes. Part of their proposal was that. See, I would like to go back just a second. This letter is based upon a long-term series of interviews and negotiations that Dan Conrad had with all of these different businesses, which lasted easily 3 months. I mean other than doing a to-do list, and working with Rich and Frank frequently, he spent all of his time from about 8 in the morning until 7 at night

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sitting with these organizations discussing what their facilities were, what their ability was, what their national offices were like to handle a major educational and informational and press program.

He did it for three months.

Q But am I correct that they were originally asked to make a broader proposal?

A More comprehensive.

Q But they were ultimately selected to do a specific portion.

A That's right.

Q Of the whole program.

A That's correct.

Q And not the entire program.

A That's right. We found that for our lobbying efforts there weren't many people around who were knowledgeable about the issue enough to really have any impact on Capitol Hill.

Q With respect to your lobbying efforts, who did you retain?

A Well, we retained just individuals. We didn't find any firm that was capable.

Q I believe we have also discussed, we have already discussed Mr. Cameron.

A Yes.

Q And you have indicated he was one of the individuals?

A Yes, and Congressman Kuykendall.

Q Right.

Now, were there other individuals that you retained?

A No, those were the two.

Q And Mr. Cameron you indicated was identified with what might be characterized as a liberal faction in the Congress, is that correct?

A Well, you know this issue--

Q Let me withdraw that question and ask you--

A I can talk about application.

Q Let me withdraw that question and ask it another way. Did you retain Mr. Cameron for the purpose of lobbying one particular segment of Congress, and Mr. Kuykendall for the purpose of lobbying another segment?

A That's right. We tried to reach out. We needed to get support from a variety of groups in the Congress, and we retained him to try to be liaison between us and them. We retained Kuykendall to do the same thing with his groups.

Q And how would you describe the groups that Mr. Cameron was to create a liaison with?

A Mr. Cameron seemed to hold influence and the expertise with a group of Democrats who do believe that some action in regard to American support for the freedom fighters is necessary. Mr. Kuykendall dealt with the group of Republicans mostly who again felt that some sort of aid to the freedom fighters was necessary. Neither of these groups was solid in their belief as to exactly what could be done. They were all undecided to my knowledge on the type of legislation that they would be willing to accept from the Administration.

Q Turning to the next document in Exhibit 1, which is a letter to you dated February 26, 1986 from Edie Frasier, which has your numbers ~~23656~~ 34856 through 34859, and this appears to be a retainer agreement which you signed retaining her firm, Miner and Frasier, Public Affairs, Inc., is that correct?

A Yes.

Q What was this firm to do in support of the Nicaraguan legislation?

A Their efforts were to get people to write their Congressman. She was going to work through a lot of the groups she knew, the heads of the groups, to encourage the heads of these organizations, and there were many, to write their Congressman and talk about Nicaragua.

Q In the letter on the first page, it states that they are ''to neither work with organizations with a goal to influence targeted congressional votes'' and that '' we understand you have revised the target list and we will receive it within 48 hours.'' The letter continues that ''The initial list of priorities you gave us is 32 Democrats and 33 Republicans.''

. Do you recall giving Mrs. Frasier such a list, such an initial list?

. A One was prepared for her, for everybody I think.

. Q And who prepared that list?

. A That would have been--I got the list from Rich Miller, and again I assume that Congressman Kuykendall and Rich put this together. At this point Rich might have been talking with other people besides Dan Kuykendall.

. Q Do you know if he was talking with other people?

. A Yes, he was talking with other people. I don't know, Penn Kimble is another one of Rich's friends whom he later gave a grant to, and he has some influence with a lot of Democrats, and Rich I know began to talk with him a lot. I can't think of the names, but there were other people that I do know that Rich worked with now on analyzing the list of people. It was not just Dan Kuykendall. Rich mentioned to me several times that there was one Congressman that I thought--I would say are we going to be able to find out what this man believes, and then Rich would have said something like ''Well, Kuykendall says this, but Bruce Cameron has said this'', so we got into a lot of that, and then I started meeting with Bruce Cameron. Then I started meeting with Penn Kimble because I found out there was a variety of viewpoints on what these Congressmen really believed, not just one, and of course it became to some degree confusing, but it also illuminated the fact that people were changing their minds a great deal and there were different sources of information, but he began to deal with more than Dan Kuykendall.

Q The sources you have identified so far are Mr. Kuykendall, Penn Kimble, Bruce Cameron.

A Yes.

Q And Rich Miller.

A Yes.

Q Do you recall any other sources of information that were used for targeting Congressmen?

A Well, other than written documents and things, I don't right now, but I may later.

Q Did you ever consult with Colonel North?

A No.

Q Anyone else in the White House?

A No, we never got to meet ~~him~~ them. I wanted to meet Mr. Ball, who is the lobbying specialist for the White House, and it was one of my desires to do that. We never did get to do that.

Q Did you consult with Pat Buchanan?

. A No. We met with Pat Buchanan once, but it was not about targeting Congressmen or anything like that.

. Q Did you ever consult with John Roberts?

. A No.

. Q Do you recall revising this target list within 48 hours for Ms. Frasier as she indicates in the letter here?

. A No, but the list was revised almost every day, when new information came in, and when old information was discredited, it became--in fact in my briefcase at one time I had 15 different revisions, because people were changing. People were moving, and it was a very difficult thing to try.

. Q Edie Frasier is the individual you had worked with in 1985 on the refugee fund dinner, is that correct?

. A Right.

. Q Back in that period of time, do you recall a discussion with Ms. Frasier where you indicated that you had certain contributors who would contribute $300,000 or more to the cause if they could have a private meeting with President Reagan?

. A No.

. MR. FRYMAN: I ask the reporter to mark as Channell Deposition Exhibit 3 for identification a letter from Edie Frasier to Oliver North dated March 4, 1985.

. [Channell Deposition Exhibit No. 3 was marked for identification.]

BY MR. FRYMAN:

Q Mr. Channell, if you would look at Exhibit 3 for identification and tell me if the note on that letter, which has been produced by Ms. Frasier, refreshes your recollection about any conversation you had with her concerning a substantial donation by one of your contributors, one or more of your contributors, if they could have a private meeting with President Reagan.

A I don't ever remember that happening. There was an article in the newspaper where this was attributed to me, and there was a subsequent article in the newspaper where she said that she had done this herself. At this time, being the 4th of March, I had no idea who gave what. This was still three weeks before the dinner, and we were still in the planning stages for the dinner. I don't think we had raised a penny for this yet. I am not even sure we had started, and I had no idea on the face of it either that we would be able to raise a dollar for this effort, and I can't believe I would have said well, we have two people who will give $300,000 if they can meet the President.

Q Apart from the specific amount of $300,000, do you recall any discussion with her that you had contributors who would make a very substantial contribution if they could have a private meeting with the President?

. A No. I do recall her saying to me that the President was going to come for a reception or we would have a reception, and that the members of the steering committee or the dinner committee, whatever, would get to go. That is all I know. She has since said in public that this did not involve me. I was delighted to hear.

. Q Mr. Channell, directing your attention to the next document in Exhibit 1, which has your columns 29699 and 29700, which is a memorandum from Penn Kimble to Mr. Conrad dated March 4, 1986, do you recall this memorandum?

. A Yes.

. Q Item 1 relates to a full page advertisement in the Washington Post.

. A Yes.

. Q Do you recall discussions with Mr. Kimble about that advertisement?

. A Yes.

. Q What did that reveal?

. A He was drafting a full page advertisement that he was hoping to receive some financial support for, to put in newspapers around the country. Well, actually it says here supporting American military assistance as well as economic assistance to the freedom fighters. I don't really remember the ad, and he wanted to know if we could help him financially do that.

Q And did you agree to do that?

A Yes, we did.

Q Was it your understanding that Mr. Kimble was also involved with Mr. Cameron in an organization?

A I think so. I have never really figured out exactly which was which, but they worked very closely together.

Q Were they both involved to your knowledge in something called the Center for Democracy in the Americas?

A That could have been. They worked very closely together, and they each had an organization, and I do recall that.

Q Did Mr. Kimble also have an organization called Prodemca?

A Well, yes.

That is indicated in the Democratic Center in Central America.

Q Other than funds for the cost of this advertisement that is described in this memorandum, did NEPL pay any additional monies to Mr. Kimble's organization Prodemca, that you are aware of?

A I don't think so. We just gave them money, a grant for the ads. I think he ran 3 or 4, something like that.

Q Did any of your other organizations pay any money to Prodemca?

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. A I don't remember that they did.

. Q Did any of your organizations pay any funds to Mr. Kimble individually or as an individual?

. A I don't remember that. I wouldn't think so.

. Q Turning to the next page, which is 81363, which appears to be a list of attendees at a presidential briefing on March 10, 1986, what do you understand that list refers to, or to phrase the que$tion another way, did you understand that a presidential briefing had been scheduled for March of 1986?

. A No.

. Q Was this list prepared in your office?

. A I think so. This is just another briefing.

. Q Another briefing on Central America?

. A Yes.

. Q That was conducted by Colonel North?

. A Yes.

. Q And you do not know why it's headed ''Presidential briefing''?

. A It's possible we had a temporary typist, but this was just another briefing.

. Q Is that list consistent with your recollection of the persons who attended the March briefing at the White House?

. A It's too many. We had many fewer than that show up.

. Q Is it consistent with your recollection of the persons who were invited?

. A Yes. All of these people had been there before I think except 1 or 2.

. Q Do you recall who showed up at that briefing?

. A I don't remember who some of these people were.

. Q Turning to the next group of documents beginning with a memorandum to Mr. Conrad dated March 19, 1986 from Eric Singer of the Center for Democracy in the Americas, concerning projections on tomorrow's vote in the House, which is 78810 through 78812; and another memorandum for Mr. Conrad from Bruce Cameron under the same date, which is 76222 and 76223, do you recall having seen these documents before?

. A Yes.

. Q Is the first memorandum from Mr. Singer an example of the services that were performed by Mr. Cameron's organization on behalf of NEPL and/or Sentinel?

. A This would have been, though it's addressed to Sentinel, be I guess Bruce Cameron's last summary of what he thought was going to happen in the House vote.

. Q The second document, the memorandum from Mr. Cameron, is identified as an activities report. Did you ask Mr. Cameron to submit activities reports?

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. A He was asked to do that. I have seen some of these. I don't know whether I did or Dan did.

. Q This is just an example of several that he submitted?

. A Yes, oh yes. The problem with some of these was I thought it was irrelevant to what we were doing.

. Q Now the letterhead on that report indicates that Mr. Kimble is chairman of the Center for Democracy in the Americas, and Mr. Cameron is president. Does that refresh your recollection?

. A Yes. I knew they were together in some way. Prodemca doesn't stand for anything that when you spell it out it is Prodemca. They have made up their own title which is irrelevant to the title of their organization. I have never been able to remember what it was.

. Q Turning to the next document, which is letter dated 75874 and it's dated March 21, and it appears to be a form letter signed by you and the American Conservative Trust, do you recall that letter?

. A I do not recall this going out. I don't ever recall us using MCI mail, for instance. This might have been something that Edelman did as part of his program for us.

. Q Do you recall this letter being prepared?

. A I don't recall that.

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. Q Have you seen this letter before?

. A Yes, I have seen a copy of this, and I actually thought this was just a draft of something that was proposed. I called several people after the vote and told them who we had hoped to count on and we couldn't. I was really unaware that this ever went out. Angela Davis, of course, is my secretary, so it was as you say a form.

. Q Do you know who proposed that a letter such as this be sent?

. A Either Dan Conrad would have or ~~Eddleman~~ Edelman would have. Again I don't even know what MCI mail is.

. Q Why would the Eddleman firm have proposed a letter such as this, if their responsibilities were limited as you indicated before?

. A Well, if we would have said to ~~Eddleman~~ Edelman we want to get out to the whole world the people who voted against the President on this issue, how would you do that quickly, I am sure they could respond and say well, there is an MCI mail. I don't even know what it is, whether it is overnight or what, and you could use that.

. Q So when you say the ~~Eddleman~~ Edelman firm may have proposed it, you mean they might have proposed the mechanical technique?

. A Yes.

. Q Of sending the letter.

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A Right. I mean we have our own stationary. We could have mailed this on our own stationary.

Q But you are not suggesting that the Edelman ~~Eddleman~~ firm proposed the substance of this letter?

A No. I am talking about the technique.

Q Do you have any recollection of the origin of the substance of this letter?

A Well, I don't know who put the list together.

Q Turning to the next group of documents, which is your numbers 34891 through 34896, which is a list of briefing attendees as of March 27, 1986, and is three copies of the same list, is this list consistent with your recollection of the attendees at the March 1986 briefing with Colonel North?

A I would suppose so. That must have been when Bill O'Boyle was here. I thought it was April.

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DCMN DONOCK

12:30 p.m.

. Q Turning to the next document, which is a letter to you from Adam Goodman, dated March 31, 1986, and it is page number 77744 through 77747, did you request Mr. Goodman to send you a letter such as this?

. A I asked him to send me a summary of what they had done. We asked everybody who worked with us to send a report on what they had done. Came just as a letter.

. Q Now, on page 2 and 3 of this letter, there is a statement that NEPL produced seven commercials for the national ad campaign, and those are identified, and then he continues in the next paragraph that concerning the actual placement of spots, NEPL aired these commercials cumulatively over 1100 times in Washington and the other television targeted markets.

. Was it your understanding that these commercials were the principal commercials that were used in the public education campaign in 1986?

. A Oh, yes. They were all educational ads.

. Q And the air time was paid for by NEPL?

. A Yes.

. Q Let's go off the record.

. [Discussion off the record.]

MR. [illegible] just break for lunch at this point, and I will start on this subject after we break for lunch? Why don't we break and we will try to start at approximately 1:30?

THE WITNESS: Okay. Great.

[Whereupon, at 11:40 a.m., the taking of the deposition was recessed, to recommence at 1:30 p.m., the same day.]

RPTS MAZUR

DCMN DONOCK

1:55 p.m.

AFTERNOON SESSION

BY MR. FRYMAN:

Q Mr. Channell, when we broke for lunch, we were discussing the letter to you from Adam Goodman dated March 31, 1986, and the seven commercials that are specifically referred to in that letter at pages 2 and 3.

During the break, we talked about your familiarity with the accounting records that show billings by the Goodman agency for those commercials, and it is my understanding that you do not have a detailed knowledge of the billing records or of the accounting records of the charges for the media time for those commercials; is that correct?

A That is right. Especially because they were changed sometimes.

Q Turning to the next letter in Exhibit 1, which is a letter from you to Mr. Miller dated April 15, 1986, and it has pages 79240-41. In that letter, you referred to various subcontractors to IBC that assisted in the lobbying campaign for the Nicaragua aid vote or for the vote for aid to the Nicaraguan resistance.

The list on the second page includes Mr. Artiano and Mr. Fischer, which we have discussed. We have also discussed Mrs. Frazier and the Goodmans and Mr. Kuykendall. Others included in that list are Steve Cook. Am I correct that Mr. Cook was the executive at the Edelman agency who is responsible for their work; is that correct?

A Yes.

Q The list also includes Jack Lichenstein, L-i-c-h-e-n-s-t-e-i-n. What was Mr. Lichenstein's role as a subcontractor?

A He had the same role as Edie Frazier, except he had different groups to deal with.

Q And that role involved generation of--

A Support to Congressmen--yes, grass-roots support to Congressmen.

Q The list also includes the UNO Office. How was the UNO Office a subcontractor of IBC?

A I don't think it was. We--we had dealt with their staff at various times, and had met with them at various times, and under Rich Miller's guidance--or I guess you say when he thought it was appropriate to meet with him, and I just added that.

Q So that was the reason for including them in that letter.

A That is right. I put everybody in there frankly that he brought in for one reason or another, but he had not had any financial relationship with any of those people.

Q Now, turning to the next group of pages which concern the briefing on April 16, 1986, and those are pages 34897, 34898, 34889 and 34890, is this a list of attendees that is consistent with your recollection of the persons who attended the April 1986 briefing?

A Yes, it is. I would like say for the record, you mentioned to me a document entitled ''Presidential Briefing,'' and over lunch, I realized that there was a Presidential briefing in the East Room of the White House which our whole staff and other people were invited, and that might have been what that was for.

Q What did that Presidential briefing concern?

A It discussed Nicaragua. Many people were--hundreds of people were invited to that, and we took everybody we could find. That was not one of our meetings. We were invited to them.

MR. McGOUGH: May I ask, did the President attend that briefing?

THE WITNESS: I think so.

BY MR. FRYMAN:

Q That is the document dated March 10 in Exhibit 1, which is 81363.

A Yes, it was not one of our briefings.

. Q That list for a briefing includes Mr. and Mrs. Pentacost. Do you believe you invited Mr. and Mrs. Pentacost to come to Washington to attend that general briefing?

. A They might have already been there, but it was not--our organizations did not generate that event.

. Q All right.

. Returning to the documents that follow the materials relating to the April 16 briefing, there is some financial statements of NEPL that appear at pages 29125 through 29130. On several pages of these financial statements, there is a reference in the project column to toys. For example, in the third page--

. A What is your number again, please?

. Q 29127.

. A Okay.

. Q There is an entry that states: April 1, O'Boyle is the contributor. The solicitor is Jane and the project is toys. The account is Patton, and the amount is $130,000. Is that an example of the toys account that we discussed yesterday?

. A Precisely.

. Q Turning to the next document, which is a letter to Mr. Conrad from Dan Kuykendall dated May 5, 1986, document number 35541, which states that this letter should be

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considered an invoice for consulting research and resource information from the Gulf and Caribbean Foundation, and then it continues that this sum covers ''our advisory and consulting contribution to the contra aid effort for the remainder of 1986.''

. What services were provided by the Gulf and Caribbean Foundation?

. A Dan Kuykendall, as you know, acted as a resource for us as well as lobbyist. He has been working in the Nicaraguan issue for several years, long before we became involved. He introduced us to maybe 15 people from the Gulf and Caribbean Foundation who were very interested in Nicaragua, who had had experience in Nicaragua, who had interests in Latin America, many of whom live in Texas.

. He hosted luncheons for that. He got us from the Gulf and Caribbean Foundation literature that they have printed on that area, and--that was very separate from his personal lobbying activities, and so, there was a bill--he calls it a contribution, which I think is more accurate.

. This covered, I think, three months, and then he introduced me to a European, and we had several meetings with this European--Frenchman who worked with the Gulf and Caribbean Foundation last summer as part of his activities--as part of his activities representing the Gulf and Caribbean Foundation, not as a lobbyist.

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. Q Well, is it correct that NEPL was paying the Gulf and Caribbean Foundation for advisory and consulting services to the contra aid effort?

. A I think that is just a general statement.

. Q Well, is it a correct general statement?

. A He was a lobbyist and we paid him as a lobbyist, and when he introduced us to these people, which was more in the way of information--I mean, they were not lobbying. He was not asking them to lobby. They did not need to be lobbied, because they had nothing to do with contra aid effort at all. They were just very well connected in Latin America and very knowledgeable about the situation.

. So, I--I think that on his part, it is just a general statement. These people, most of whom have their references in Texas, have nothing to do with any of our lobbying efforts on the Nicaraguan aid bill, and you would not find their names anywhere.

. Q Turning to the next documents, Mr. Channell, numbered 36710, 36711, 36712 and 36713 as well as 36714, do you recognize these documents?

. A Well, this was evidently the transcript from Edna Healey's notes on our fund-raising meeting the 23rd of May regarding our planned program on SDI.

. Q Now, who is Edna Healey?

. A She was my ex-secretary who came out of retirement

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because she has excellent shorthand, to work at that meeting.

. Q And she made a verbatim transcript of what was said at the meeting?

. A Not verbatim, no.

. Q She made very detailed notes?

. A Yes, she went as far as she could. There was so much activity and discussion and brainstorming that she lost a lot, and she said, this is as much as I can keep up with.

. Q Now, are pages 36710 and 36711 a first typed draft of her notes and the succeeding pages an edited draft?

. MS. MORRISON: Does this have to do with Nicaragua?

. MR. FRYMAN: Yes.

. THE WITNESS: I never read this in its entirety before. In fact, all I read were the quotes in the newspaper, so--I think there were three quotes out of this in the newspaper.

. BY MR. FRYMAN:

. Q Well, it appears that the latter three pages of the same text at the initial two pages, but there were some paragraphs inserted and some minor editing. You can look at the copy yourself and see if you agree with it?

. A Okay, surely.

. MS. MORRISON: I mean, it is what it is. If it is edited, it is edited. So, he is going to give you a non-expert opinion as to what it is. Doesn't seem to have any value to it.

BY MR. FRYMAN:

Q Are you aware that Mrs. Healey made notes of the meeting and prepared a transcript, and then the initial draft of that was edited by someone?

A No.

Q You are not aware of that?

A She only appeared at this meeting and then she got ill, and then I know she told me she was going to get us the records of the meeting, and then I know--I know that the record came to the office, that they said Edna's notes have shown up and that is all I know. I never looked at them, because the--the projected program, of course, never came off, and I just never had a chance to review them.

Q Who was speaking at this fund-raising meeting on May 23 when she made the notes?

A I spoke part of the time. We had our entire staff there, I think, six or eight people there.

Q So, who spoke other than yourself?

A It would have been Jane McLaughlin and Dan Conrad and Chris Littledale, Cliff Smith, Dan Conrad--at a minute.

Q And this meeting was held on May 23, 1986?

A That is what the date says.

Q Is that consistent with your recollection?

MS. MORRISON: Do you have a recollection?

THE WITNESS: I don't even know what day that was, but I know it was in May some time.

BY MR. FRYMAN:

Q It was in May of 1986?

A Yes.

Q And this followed your experience with the Central American Freedom Program in the earlier months of 1986, did it not?

A Yes, that program was dormant, not dead, but just dormant.

Q And you were turning your attention to another program involving the Strategic Defense Initiative?

A We had started in April.

Q And were you drawing upon your experience in the Central American Program in planning your fund-raising for the SDI program?

A It was--of course, we had experience there, yes. It was a little different in that we were going to do surveys. We had a feeling--I had a feeling that SDI was a very popular issue among the American people, but had not been explained correctly.

I wanted to determine what it was about SDI that was keeping the understanding of the American people incorrect, and so, we were going to commission Arthur Finklestein to do a series of studies around the country to try to find out what it was that was the key to helping the American people understand the value of SDI, and that was part of our program, was to get a handle, a very extensive handle on a huge sample of opinion on SDI, and what people thought about it, and how--how it could be effectively explained to the American people.

. Q But your experience in the lessons you had learned in fund-raising--

. MS. MORRISON: Tom, we will confess that May came after April, March, February and January in 1986, and most of us who were alive in April of 1986 knew more then than we did in January of 1986. That is obvious, okay? This has nothing to do with Nicaragua. Can we move on to something that is relevant?

. MR. FRYMAN: Well, it is interesting you now say it has nothing to do with Nicaragua, since you produced this document in response to a subpoena asking for documents relating to Nicaragua.

. MS. MORRISON: We took, as I think you understood at the time, a very broad view which was consistent with our discussions of certain of the requirements in that subpoena which required us to produce every document in the organization's possession that listed or used certain words like President, White House, North and a variety of other names and identifying terms, and we would never have wanted to be in a position to have been accused of withholding a document from you that was called for by the subpoena.

That doesn't necessarily mean we have to spend time this afternoon having Mr. Channell answering questions about documents that are not relevant to your mandate.

MR. FRYMAN: In my judgment, these questions are relevant, and I intend to ask these questions.

THE WITNESS: Go ahead.

BY MR. FRYMAN:

Q Now, I was asking you, Mr. Channell, if in your fund-raising meeting in May of 1986, with regard to SDI and your plans for raising funds from your family of contributors, were you drawing upon your experience that you had in fund-raising for the Central America Program?

A Probably.

Q Now, in this document at page 36712, it states, so when these people give us $30,000 and our ads cost $35,000 a day around the country, they are in many districts literally giving a political contribution to support President Reagan's Congressional candidates.

Do you know who made that statement at the meeting?

MS. MORRISON: Mr. Fryman, this document, the meeting, had nothing whatsoever to do with Nicaragua. That is a hypothetical phrase. It doesn't matter who it was made by. The statement has nothing to do with the facts underlying the subject matter that brings us all together for this great occasion.

MR. FRYMAN: You may answer the question.

MS. MORRISON: He is not going to answer the question. We have got to draw the line somewhere, and it is not relevant to what you all are supposed to be looking at.

MR. FRYMAN: Are you directing him not to answer the question?

MS. MORRISON: Yes, and I would say part of the foundation for that is because our mission here is not to figure out what Mr. Channell's political philosophy was at in 1985, 1986, or any other time. It has to do with what he had to do, if anything, in connection with contra fund-raising. We are all entitled to think and say what we want. Let's get to Nicaragua.

BY MR. FRYMAN:

Q Now, Mr. Channell, was it your experience in the Central American fund-raising campaign that when your contributors gave dollars for the television ads, they were literally making a political contribution to support President Reagan's Congressional candidates?

A No.

Q Why was that different from the SDI program?

MS. MORRISON: He doesn't have to differentiate why it was different from the SDI program, Mr. Fryman.

MR. FRYMAN: Are you directing him not to answer?

MS. MORRISON: Yes, I am.

BY MR. FRYMAN:

Q There is also the statement on this page, Mr. Channell, ''and being that it is an election year, we can hype this issue and it will become known (implied) who is supporting this issue-the incumbent or the challenger. We are really going to be giving a $30,000-plus contribution to the challenger candidate.''

Is that a statement you made in this meeting, Mr. Channell?

MS. MORRISON: He doesn't have to answer that. This is a meeting that had nothing to do with Nicaragua.

MR. FRYMAN: He will answer it unless you direct him not to, Mrs. Morrison.

MS. MORRISON: I am directing him not to answer the question.

MR. FRYMAN: All right, we will make a record on this, and then we will decide--or it will be decided whether or not he has to answer these questions.

BY MR. FRYMAN:

Q Again, Mr. Channell, was that statement consistent with your experience with respect to contributions to the Central American campaign that contributions to your organizations were really contributions to candidates in the Congressional races?

A No.

Q Turning to the next page, 36713, Mr. Channell, in the middle of the page, states ''including this approach on someone like Harry Lucas, Barbara Newington, Ellen Garwood, Mel Salwaser, Salvatore or innumerable political crazies, will have an incredible impact.''

Was that a statement that you made, Mr. Channell?

MS. MORRISON: It is an irrelevant point, Mr. Fryman. The meeting had nothing to do with Nicaragua.

MR. FRYMAN: Are you directing him not to answer?

MS. MORRISON: Yes.

BY MR. FRYMAN:

Q Do you know who made that statement, Mr. Channell?

MS. MORRISON: Same objection.

BY MR. FRYMAN:

Q Were those individuals listed in that paragraph, contributors to the Central American program run by your organizations?

A Three of them were.

Q Which three?

A The first three. I don't think Mr. Salvatore gave to us.

Q Well, you say the first three. I take it you don't mean Mr. Lucas?

. A I am sorry, he didn't give, either.

. Q So you say Mrs. Newington, Mrs. Garwood and Mr. Salwaser?

. A The reason why they gave or reason why I listed them is not because they gave to us but because they had a certain intensity of political commitment.

. Q Now, did the approach referred to in this memorandum have an incredible impact on the three individuals you identified as having contributed to the Central American campaign?

. MS. MORRISON: Same objection, and same direction, Mr. Fryman. Doesn't have anything to do with--

. MR. FRYMAN: Well, I will restate the question, Mrs. Morrison, but I think it very specifically does.

. BY MR. FRYMAN:

. Q Did the fund-raising approach which is described in this memorandum, did that approach have an incredible impact on Mrs. Newington, Mrs. Garwood and Mr. Salwaser in your fund-raising efforts with respect to Central America?

. MS. MORRISON: You are right, different objection, no foundation for the question. No basis to believe that approach was used in connection with Central American fund-raising.

. MR. FRYMAN: Well, let me try to respond to Mrs.

Morrison's concern, Mr. Channell.

BY MR. FRYMAN:

Q Was this fund-raising approach that is described in this memorandum used by your organizations in the Central American campaign?

A No.

Q It was not?

A It was not.

Q The approach that is described in this memorandum, Mr. Channell, is to point out to contributors that their contributions to your organization are tax-deductible, is it not?

MS. MORRISON: Wait a minute. I am going to object to that one, too. We are not going to discuss what is in this memo, because we can spend the day on whether the memo says A and whether it says B or maybe a little of each of them or--

MR. FRYMAN: At the rate we are going, we are going to spend more than a day; that is up to you.

MS. MORRISON: If you want to formulate a question about whether a particular aspect of his campaign involved a regular methodology, let's have at it. But a multi-page document which has nothing to do with Central America is or is not properly characterized as something that fairly summarizes his approach to Central America.

MR. FRYMAN: Well, Mrs. Morrison, I am trying to deal with your objection to my question as saying there was no foundation with respect to the approach described in this memorandum.

MS. MORRISON: And you asked the right question and you got the answer; it doesn't.

MR. FRYMAN: --having been used in the Central American campaign. Now, I am trying to follow up on that by getting defined on the record what the approach in this memorandum is. I can rephrase the question by asking Mr. Channell to summarize the approach that is described in this memorandum.

MS. MORRISON: I don't think we ought to be talking about the memo. If you want to ask him--a particular facet of his program in Central America was X or Y, maybe we can get into that, but I don't think we ought to be basing questions on this memorandum. It is irrelevant.

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[2:30]

THE WITNESS: I would like to say, I'm not sure you know, that this memorandum in my view does not constitute nearly all of the meeting. The meeting was at least three hours long, and this is not three hours worth of yacking by a long shot. I don't know what was deleted, and I don't know what the questions were. As you know, this was a meeting, but it's not written up as a question and answer format. There are no questions here at all, and yet there was a very lively discussion for at least three hours, so I have no idea what was deleted, nor do I know where these comments are answers to a question, nor do I know what is hypothetical, what I really was feeling or what was a hypothetical situation, because there is no guidance in the literature at all.

BY MR. FRYMAN:

Q Are you contending that this is an inaccurate account?

A Incomplete.

Q But not inaccurate of what was reported here?

A Right, but I think it is very incomplete. Mrs. Haley herself said it was very incomplete. She is in her

70s, and we just ran out of hand power.

. Q The paragraph that we have been discussing, Mr. Channell, talks about using this approach, and the following paragraph continues that ''we are going to give them an opportunity to give a $30,000 tax deductible political contribution, and we want to tell them how to do it.''

. Is that a summary of the fund-raising approach that was under discussion at this meeting?

. MS. MORRISON: Objection; same direction to the witness, and we have not been discussing this memo. You have been asking questions based on it. We have been objecting to it forming the basis for any questions.

. MR. FRYMAN: You direct the witness not to answer?

. MS. MORRISON: Yes.

. BY MR. FRYMAN:

. Q Is that what your organizations had been doing, Mr. Channell, in the Central American program, and by that I mean specifically giving your contributors an opportunity to take a tax deductible political contribution, and you were telling them how to do it?

. A No.

. Q How ~~as~~ is Nicaragua different from SDI in that respect?

. MS. MORRISON: We are not going to talk about SDI.

. MR. FRYMAN: Is that a direction for him not to

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answer?

MS. MORRISON: Yes.

THE WITNESS: Can I make a statement? I would like to say that in Nicaragua we were not involved in elections. We were involved in education, and we weren't even thinking about elections, it just wasn't in our minds. We were involved in a grand educational process. That is one of the many reasons that would make that different from this discussion, which, as you know, was a hypothetical deal. Nothing ever came of it, as you know.

BY MR. FRYMAN:

Q In the last paragraph on page 36713, the memorandum states that ''but you can see we don't call them congressional districts; we call them media markets, where interestingly enough, your congressmen will hear all this media.''

In the Central American campaign, you called the areas media markets, did you not?

A That's correct.

Q Did you say, Mr. Channell, that with respect to Nicaragua and Central America, you were not involved in congressional campaigns?

A That's correct.

Q Would you turn to document 36004, which is a telegram dated September 9, 1986.

MS. MORRISON: Can you give us a rough idea how far down this is?

MR. FRYMAN: Yes. They are in chronological order, so if you would look for September 9, 1986.

BY MR. FRYMAN:

Q That appears to be a mailgram which you sent to Lieutenant Colonel Oliver North, which states: ''We have the honor to inform you that Congressman Michael Barnes, foe of the freedom fighter movement, adversary of President Reagan's foreign policy goals and opponent of the President's vision for American security in the future, has been soundly defeated in his bid to become the Democratic candidate for the U.S. Senate from Maryland. His defeat signals an end to much of the disinformation and unwise effort directed at crippling your foreign policy goals. We at the Anti-Terrorism American Committee (ATAC) feel proud to have participated in a campaign to ensure Congressman Barnes' defeat.''

Did you send that telegram to Colonel North?

MS. MORRISON: Can we have just a minute to consult here for a second?

[Witness and counsel consult.]

MS. MORRISON: I'm going to make the same objection that I have made to your earlier questions about documents and issues that don't involve Nicaragua. This is a telegram that deals not with anything related to contra aid, Central America or Nicaragua. It's something that involves an organization of Mr. Channell's that was not involved in supporting Nicaraguan-related programs, and therefore I object to its being used as the basis for questions of Mr. Channell in connection with what brings us together here today.

. MR. FRYMAN: The question on the floor is, did he send the telegram?

. MS. MORRISON: It doesn't matter. The objection is to anything related to the document. It's an irrelevant document.

. MR. McGOUGH: Even though it refers to the freedom fighters?

. MS. MORRISON: The document has nothing to do with any organization of Mr. Channell's that did anything with respect to the freedom fighter movement.

. MR. McGOUGH: That wasn't the original objection. The original objection is that the telegram had nothing to do with the freedom fighters. I think the objection was that the telegram didn't have anything to do with the Nicaraguan issue, but it does in that it refers directly to the freedom fighters.

. MS. MORRISON: The words appear to be there, but it doesn't have reference to the freedom fighter movement or any activity related to the freedom fighter movement. Freedom fighter movement is in a descriptive phase used about a former Congressman.

MR. McGOUGH: I think you are reaching on this.

MS. MORRISON: Can I tell you for the record what my problem is? I think there is some reaching going on in terms of the questions and I'm reluctant to come to that conclusion because, quite frankly, we have been here informally and formally in order to answer your questions and help you go through the facts and circumstances and all kinds of arguably tangentially related material that will help you understand the mission that formed this committee and that brings us here today.

The problem is that I don't want to see us get sidetracked from that honorable mission by trying to ferret out or try to render relevant what Mr. Channell's personal views are, what his philosophy is, what his politics are, or where they may or may not coincide or separate from anybody else who may have considered that or other political issues, and it doesn't seem to me that getting into documents that don't have anything to do directly with his activities in connection with the support of Central America and Nicaraguan freedom fighters has anything to offer any of us here that is worthwhile or worth pursuing.

MR. McGOUGH: Just for the record let me say on behalf of the Senate committee that I have stayed mum during the debate over the last argument. I felt the issues were being fairly well joined, but on behalf of the Senate committee, I don't think frankly you have a leg to stand on. It's a direct reference to the freedom fighter movement, the Barnes campaign is well documented as being related to the Nicaraguan issue. I will pass it back to Tom, but I think this is one where the Senate committee and the House committee are essentially standing--

. MR. OLIVER: I would like to say for the record also that Congressman Barnes was the Chairman of the Latin American Affairs Subcommittee dealing with the issues of Central America throughout 1985 and 1986. It was the Barnes-Hamilton amendment and the Barnes-Hamilton legislation which the Central American freedom program was designed to defeat in 1986. Mr. Barnes was the leading opponent in the House of Representatives to aid to freedom fighters.

. MS. MORRISON: And he lost that issue and he lost the election. By exploring former Congressman Barnes in connection with this matter, I would like to know what issue we are going to pursue that has any meaningful and honorable relevance to why we are here. That is my concern, Mr. Oliver.

. MR. McGOUGH: Again you have got a mailgram to Oliver North referring to Congressman Barnes and the freedom fighters, incorporating ATAC in its terms. To me it isn't even a close question.

MS. MORRISON: ATAC had nothing to do with Nicaragua, nothing.

MR. McGOUGH: They certainly appear in the same mailgram saying that people at ATAC are proud to participate in the campaign to ensure Congressman Barnes' defeat. Just looking for a flat-out juxtaposition, it's there. I think it certainly provides sufficient foundation to inquire further, and the question that is on the record now is simply whether Mr. Channell authored this. To my mind it's dangerously close to a congressional objection.

MS. MORRISON: If we want to talk about where we are going on this issue, I mean if we are going to get into issues that have nothing to do with Nicaragua and whether or not there was support or there wasn't support, and some conversation, organization or human relationship that Mr. Channell had, I don't think that is relevant. If you want to talk to Mr. Channell about whether he dealt with Colonel North in connection with is dealings with him on Nicaragua, about Congressman Barnes, that may be one thing.

MR. McGOUGH: But I think the question on the record which you instructed the witness not to answer is, did he offer this telegram or this mailgram?

MS. MORRISON: Because I think without reference to

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this particular mailgram, there are lots of questions that may be askable with respect to Colonel North, with respect to his activities.

MR. McGOUGH: That may well be but it's not other questions we can ask but whether we are entitled to ask this one, and I think we are. I will turn it back to you, Tom. I guess where the record stands now there is a question, did Mr. Channell send or author this mailgram, and there is an instruction, as I understand it, not to answer that question.

MS. MORRISON: That's right. The instruction stands.

BY MR. FRYMAN:

Q Did you understand, Mr. Channell, that Congressman Barnes was one of the leading opponents to aid for the contras?

A Yes.

Q Had you had discussions with Colonel North about the defeat of Congressman Barnes in his race for the nomination for the Senate?

A No.

Q Had you discussed that race with anyone?

A Oh, yes.

Q Had your organizations or had any of your organizations paid for any television advertisements in

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connection with that race?

. A Yes.

. Q Which organization?

. MS. MORRISON: Again, same objection, has no relevance to Nicaragua.

. BY MR. FRYMAN:

. Q Did the television advertisements discuss Congressman Barnes' position with respect to Nicaragua?

. A You are not talking about his election campaign? Are you talking about his election campaign?

. Q Were there ads that related to Congressman Barnes that did not involve his election campaign?

. A Yes.

. Q Which ads were those?

. A Sentinel ads, lobbying ads.

. Q And what was the subject of those ads?

. A The piece of legislation before the House during June on the Nicaraguan aid bill.

. Q And were those television ads that were run in the Washington media market?

. A Yes, and Maryland.

. Q And was the objective of those ads to cause Congressman Barnes to change his position on Nicaragua aid?

. A That was the hope.

. Q Did you consider that a realistic hope?

A Hope is hope.

Q Was there also a long-range plan to use those ads in preparation for the upcoming election campaign that he was going to be involved in?

A No.

Q Returning to the election ads that you specifically referred to, when did those ads run?

MS. MORRISON: Irrelevant. Mr. Fryman, you have the list when the ads were run if you need to find out. They are according to Mr. Channell objectively not related to Nicaragua. Whether or not he supported a particular candidate for a particular office, absent some excess that hasn't been shown, it really isn't relevant to these proceedings.

BY MR. FRYMAN:

Q Mr. Channell, would you look at Exhibit 2?

A Is that what this one is?

Q Yes.

A What do you want me to do with this? Stick it in here or do you want it back?

Q Just put it there. If you would look at an analysis II-K in Exhibit 2.

A There are several pages of K.

Q If you would look at the first page, you will see a reference to several Barnes advertisements. The first one is ''Barnes: Does he know?'' Do you recall that ad?

A Generally, yes.

Q Was that a lobbying ad or was that an election ad?

A This would have been a lobbying ad.

MR. FRYMAN: Would you read the last answer back?

[The reporter read the record as requested.]

BY MR. FRYMAN:

Q And the next is identified as ''Barnes: Fact check.'' Do you know what that ad was?

A Generally.

Q And what type was that?

A It was a lobbying buying ad also.

Q On down there is an identification of an aid, ''Barnes: Time check.'' Do you know what that ad was?

A Yes. It talked about how much time is left until the vote occurs for him to change his mind. I remember that, sort of like a clock, have hour left, 15 minutes left.

Q And did you consider that a lobbying ad or a campaign ad?

A Lobbying ad.

Q There are also references there to ''Barnes: Prototypes.'' Do you know what that refers to?

A Yes, from what Adam Goodman said to me, he called the type of ad we used or were going to use in several districts, he made the Barnes ad and then said if we need to use this in another congressional district, we will, and so the Barnes copy, original tape, became the prototype for potentially others. They didn't need to do it that way, but that is why they call it prototypes.

. Q Mr. Channell, did you consider the Barnes race significant because of the position that Congressman Barnes had taken on contra aid legislation?

. A Significant to what?

. Q Significant to your organization and taking a position on defeating Congressman Barnes?

. A Not particularly. The Barnes race was sort of popular frankly among our contributors, because he had been such an outspoken critic, but very early in the summer it was quite clear that he was going to lose the election, that he had no momentum, that his strategy was one that--he just wasn't going to get anywhere in his election bid, and I began to turn my attention to the possibility that the Republican candidate might indeed be able to create enough strength in Maryland with the right type of support to possibly win. I had no idea that Michael Barnes was going to be so weak. We found him to be weak very early. The polls that I read throughout the state of Maryland newspapers found him to be weak very early, and that he would not even be a significant factor in the campaign in the summer and fall, so when I began to think about political campaigns, I turned my attention to how we might be able to help a Republican win against the opponent whom I was convinced would be Barbara Mikulski, very, very early in the summer.

Q Did you discuss Congressman Barnes with Chris Littledale?

MS. MORRISON: Objection. The same basis. I hope we are not going to spend a lot more time, Mr. Fryman, on the issue of Mr. Barnes and his political campaign, and who in this earth Mr. Channell may have spoken to about that. You asked and I didn't say a peep whether he discussed that issue with Colonel North. Whether he discussed it with somebody else was a member of his staff and who worked with him on many issues that had nothing to do with Nicaragua, freedom fighter aid, or matters that are before your committee just doesn't seem relevant, unless we are on some mission here that I don't understand.

MR. FRYMAN: Are you directing the witness not to answer?

MS. MORRISON: Yes, I am.

MR. FRYMAN: Would the reporter mark this document as Channell Exhibit 4 for identification.

[The following document was marked as Channell Deposition Exhibit 4 for identification:]

BY MR. FRYMAN:

. Q Mr. Channell, I show you a document that has been produced by your counsel which is a page of handwritten notes that has your identifying number 37851 on it. The marking in yellow as added by the staff of the committee and was not on the note as produced. Do you recognize the handwriting on that note?

. A Actually I don't.

. Q Is it Mr. Littledale's handwriting?

. A I don't know. It doesn't mean it isn't.

. Q You don't recognize it?

. A I don't recognize it.

. Q At the bottom of the page there is a note that begins, ''Giddens re CIA, Nicaragua, embassy security,'' and it continues, ''Destroy Barnes--use him as object lesson to other. R.R. informed on his return.'' Do you recall any discussion with Mr. Littledale to that effect?

. A This sounds like something that someone told him or he was writing notes about a phone conversation that he had with Gidden or something. It doesn't mean anything to me.

. Q The pending question is, do you recall a discussion that you had with Mr. Littledale, where the conversation dealt with destroy Barnes, use him as an object lesson?

. A No, I don't know where that came from.

. Q There is a further note at the top that states, ''Put Barnes out of politics. If we get rid of Barnes, we get rid of the ring leader and rid of the problem.'' Do you recall a discussion to that effect with Mr. Littledale?

A I'm sure that that represented my views at one time or another on Congressman Barnes. As I said, I determined fairly early in the summer that Congressman Barnes was not going to make it in the election, that the Democratic Party of Maryland was going to take him out of politics.

Q There is a further reference there to a ''special PAC to do only one thing, to rid Congress of congressmen that are trying to undermine the President in his antiterrorist policies. Barnes trying to indict Ollie--wants to get at R.R.--trying to use''--there is a word I can't read--''to elevate his Senate campaign--if we can beat him he is out of Congress.'' Do you recall any discussion with Mr. Littledale about the establishment of a special PAC for purposes such as described there?

A Well, we established in the spring, late spring of '86, the Antiterrorist American Committee, to work on this issue, antiterrorism, the President's antiterrorism policies. This must have been written, frankly, earlier than that possibly, because after we established the PAC, there was a name, and so he wouldn't have done that. He would have put ATAC, so this obviously is something that is conceptual, and prior to our establishment of the PAC in the spring, because he is describing something that hasn't happened yet, and we established that I think in April or May, which, as you know, after that, actually in June and then early July, I found out about it in mid July, because I had been gone for three weeks in June and early July. The polling that I read as soon as I came back indicated that Congressman Barnes was going to be rejected by the Democratic Party of Maryland, a tremendous rejection.

. Q But election advertisements were still sponsored by one of your organizations against Congressman Barnes, were they not?

. A No.

. Q They were not?

. A No campaign messages against Congressman Barnes.

. Q How did ATAC then participate in a campaign to ensure Congressman Barnes' defeat?

. MS. MORRISON: We are getting off the Nicaraguan problem again, Mr. Fryman, and that is the danger of this. We could spend an awful lot of time exploring every position, policy and objective that Mr. Channell has pursued over the last couple of years. It is not why we are here. If we could get back to Nicaragua, I think we probably spent the last hour on a couple of documents that are really highly objectionable.

. MR. FRYMAN: I think, Mrs. Morrison, that I have explained why I believe these questions are relevant to

Nicaragua and to the subject matter of the investigation. There is no need to repeat that.

I have a pending question. I would ask the witness to answer it, unless you direct him not to.

MS. MORRISON: For my benefit, can I have the question read back or repeated?

[The reporter read the record as requested.]

MS. MORRISON: We are here to help you as much as we can with respect to Nicaragua-related issues. We are not here to talk about ATAC, which didn't do anything on Nicaragua, and we are not here to talk about particular campaigns that may have been directed towards particular candidates that don't have anything to do with Central America.

BY MR. FRYMAN:

Q Again, Mr. Channell, answer the question unless your lawyer directs you not to.

MS. MORRISON: He is directed not to.

BY MR. FRYMAN:

Q Mr. Channell, turning back to Exhibit 1 and the letter from Lichenstein & Company dated May 23, 1986, which is document 76111, is that a report to you from Mr. Lichenstein summarizing his efforts in the lobbying campaign?

A Exactly. I think you are missing a page.

. Q In any case, this is at least one page of a report from Mr. Lichenstein. I don't have any other pages.

. A I don't either.

. Q Turning to the next document, which is a letter to Jane McLaughlin from Bruce Hooper dated May 27, and it is document 27706, in that letter, Mr. Hooper asked to please have Ollie contact me to let me know what he is going to do with his contribution, if that is possible. Was this letter discussed with you?

. A No.

. Q Did you have any involvement in the contribution of Mr. Hooper and his meeting with Colonel North?

. A No.

. Q Do you know whether there was any discussion between Colonel North and Mr. Hooper about his contribution and what it was being used for?

. A No.

. Q Turning to the next two documents, both dated June 10, 1986, the first numbered 29099, which is a confirmation of consulting arrangement between Spitz Channell and Dan Kuykendall, and the second number 34966, concerning a monthly budget for the Gulf and Caribbean Foundation, what was Mr. Kuykendall retained to do in June of 1986?

. A He was becoming a general consultant for all of our projects. I had appreciated very much his brain power. I had asked him to help me with everything we were going to do in the future, and that is what that was about.

The second letter refers to--I had asked--actually, he had asked me if I would consider taking over the Gulf and Caribbean Foundation, and I said it would be interesting. I would like for him to draw up what their budget was and send it to me, and that is what he did.

Q Did you take it over?

A No.

Q Why not?

A I just didn't feel that I had the time or the interest, frankly, to work on that.

Q Prior to June of 1986, had Mr. Kuykendall been a paid consultant to any of your organizations?

A Through IBC, of course he had worked with NEPL.

Q But he had been a consultant to IBC and not directly to your organizations?

A Yes. This would be an agreement between us directly.

Q Turning and passing several documents, to the document dated August 25, 1986, which is headed ''Memorandum to David Fischer regarding a draft memorandum for Don Regan,'' it was produced by your counsel, but the identification numbers are very faint at the bottom. I can't read them.

. A If you can read them, I want your glasses. We don't have an imprint.

. Q You can see the A number at the beginning. First of all, on the first page there is some handwriting that says, ''And president of Sentinel.'' Do you recognize that handwriting?

. A It's mine.

Q It's your handwriting. So I take it you have seen this document before?

. A Yes.

. Q Did you draft this document?

. A I don't think so.

. Q Do you know who did?

. A I don't know whether it would be Rich Miller or Dan.

. Q And it was given to you on or around August 25, 1986?

. A Right.

. Q What was the purpose of preparing this document, if you know?

. A All I can think of was that we wanted to give Don Regan a summary of our work.

. Q Did you ask that the document be prepared?

. A I'm sure I did.

. Q In the first paragraph you state that ''in January, 1986, NEPL and Sentinel initiated a $4.1 million educational and lobbying campaign which eventually reached 25 states.''

. By that sentence, did you understand that you were to tell Don Regan that NEPL and Sentinel had spent $4.1 million on this campaign?

. A Say that again. By that sentence?

. Q By this sentence, the first sentence in this draft memorandum, was it your intention to tell Don Regan that NEPL and Sentinel had spent $4.1 million on that educational and lobbying campaign?

. A This was the budget that we had our goal. I wasn't sure exactly how much we ended up spending. This was the goal.

. Q What was the source of that number? Was that the--

. A I don't remember.

. Q --Central American freedom program memorandum we talked about earlier?

. A There were several things. We had some of the bills. We didn't have some of the bills. We were just projecting some of the expenditure. I don't remember exactly what we referred to to get to that.

. Q On down in the third paragraph you state that ''over $2.5 million went to the television campaign alone.'' What is the source of that number?

. A Again, I'm not sure of that at all. I'm not sure that I would have known those numbers at that time.

. Q Who developed these numbers?

. A As I said, I don't know whether Rich or Dan Conrad had worked on this. I just truly don't know.

. Q What is your understanding today as to how much was spent on the television campaign?

. A I don't know. I haven't looked at those numbers for a long time.

. Q If you would look at Exhibit 2, and particularly at analysis II-B, the first page of II-B, under the entries ''project expenditures,'' this analysis indicates a total of $996,842 spent by your organizations in 1986 through the Goodman Agency.

. A Why am I not seeing that? Excuse me. Right.

. Q Do you have any basis for believing that there were expenditures in addition to that amount for television advertisements?

. A In this program they did it all, all of the television. There were a lot more expenditures than television.

. Q That's right, but my question at the moment is focusing on the television campaign. To your knowledge, did one of your organizations pay for all of the media buys to run any of the ads prepared by the Goodman Agency for NEPL or ACT?

. A Oh, did one of our organizations pay for everything?

. Q Let me rephrase the question.

. A I'm confused.

. Q Are you aware of any entity paying for air time for ads prepared by Goodman for your organization other than one of your organizations?

. A No. This must have been a draft or something, because there are several figure problems here. It had to be a draft because I was writing on it.

. Q In the next paragraph it ~~states~~ starts out, ''$75,000 was spent by Sentinel,'' and then it's written in, ''$75,000,'' and there is a note out to the side which says, ''add a zero.'' Is that your handwriting?

. A I think so.

. Q Was it your belief that Sentinel had spent $75,000?

. A I know it wasn't $75,000. We knew that. I don't--I mean I knew it was not $75,000.

. Q What made you believe that it was $750,000?

. A I'm not sure I believed that, but I knew it wasn't--I knew it was a lot more than $75,000, so I thought that there was just a zero missing. I didn't question the total, but I did say that this was far too small.

. Q So adding the zero does not indicate your belief that $750,000 was the amount that Sentinel spent on this campaign?

A That's correct, but it was much more than--when I looked at that, I just said, well, this is just a typo. The figure would have been in the hundreds of thousands of dollars automatically.

Q That paragraph also states that the work included continuous work with Elliott Abrams?

A It does.

Q What was the continuous work with Elliott Abrams that your organization undertook?

A Now, I know I didn't write the memo. I didn't read that far. We only met with him twice.

Q So is that statement incorrect?

A That would have been incorrect, absolutely. I wouldn't have put that in there.

Q But that is not a statement that you changed?

A No.

Q When you reviewed the memorandum?

A I wouldn't have put it in because we just met with him twice at the very beginning of the year.

Q On the next page, the top paragraph begins, ''$600,000 was spent on speaking tours.'' Do you know the source of that figure?

A Rich was running the speaking tours, and I would have to assume that that is what he said we had spent.

. Q Do you know if that figure is correct or not?

. A I would think that figure would be high.

. Q Again, the next paragraph talks about $85,000 devoted to nine Washington briefings. Do you know the source of that figure?

. A Again, I don't. I would not have--I don't know how they came to figure that out.

. Q Finally, the memorandum states that ''it was determined that your organizations had carried the program successfully into 32 of the 51 Democratic districts that ultimately stood with Ronald Reagan on this issue.'' Do you know the source of that statement?

. A That would probably have been Dan Kuykendall, since I wasn't here the week of the vote or the day of the vote. He would have probably had to give me that information.

. Q Mr. Channell, turning to a document dated October 1, 1986, which is a document numbered 56302, and it appears to be an invoice from NEPL to the Channell Corporation concerning a refund request for overpayment of October rent, what does that relate to?

. A I have no idea.

. Q What was the practice of sharing overhead expenses among the various organizations that you had?

. A The accountants had worked out a proportion of space for each organization, and from what I understand was the policy was to contribute a certain amount to general rent. That is what they were supposed to do.

. Q And you do not know what this refund request for the overpayment concerns?

. A I have never seen this before, and I'm reading like you are. Evidently, one of the accountants had made a wrong check out or something. I truly don't know.

. Q If you would look again at Exhibit 2, Mr. Channell, and this time analysis II-E, it's headed ''Intergroup Transfers,'' there is an indication on that schedule of a series of transfers from NEPL to Sentinel in March of 1986, transfer for $30,000 on March 7, for $18,000 on March 14, for $19,997 on March 24, for $10,000 on March 25, for $25,000 on March 26, and for another $20,000 on March 28. Were you aware that NEPL was making transfers in amounts of that magnitude in March of 1986?

. A No.

. Q To Sentinel?

. A No.

. Q Is this the first time you learned of that?

. A I knew of one transfer which actually was a mistake, but that's all.

. Q You had no explanation for the series of transfers that are reflected on that schedule?

. A No. I would have to--it may be a legitimate transfer, but you would have to talk to my accountants about why that was done. I just can't help you on that. Again, I will reiterate that my role was not hired and paid. Was paying professional fees to people who referred to me as professional CPAs to run these organizations financially, and we were paying them I thought substantial salaries for substantial competence.

. Q Apart from that, my question is, were you aware that NEPL was making substantial transfers to Sentinel in March of 1986?

. A No.

. Q And the answer is no?

. A That's right.

. Q And you had not been aware of that until today?

. A As I said, I knew that, late last year we discovered that there was one that was accidental, a check that had been placed incorrectly, but I was not aware of that, no.

. Q Turning, Mr. Channell, to the next document, which is an invoice from IBC dated October 8, and the document number is 27899, is this an example of the type of bill you would receive from IBC for Mr. Fischer's services?

. A Yes.

. Q And then you would pay IBC and IBC would pay Mr. Fischer, is that correct?

UNCLASSIFIED

A Formally.

Q Formally. Now, turning to the next document, it's a handwritten statement from Eric Olsen, dated October 8, 1986, and it's document number 57158, for consulting services rendered during October, 1986, for $10,000. There are others of these statements in Exhibit 1, particularly there is a statement dated November 3, 1986, for $7500, which is 57159, document No. 57159. There is a statement dated December 19, 1986, for $10,000 which is document 57160. There is a statement dated January 5, 1987, for $10,000, which is document 57161, and there is a statement dated February 18, 1987, for $5,000, which is document No. 57162. The statements are all similar in form. They are all handwritten, and they all refer to consulting services rendered during a particular month.

UNCLASSIFIED

RPTS MAZUR

DCMN DONOCK

3:30 p.m.

Q The statements total $42,500. Now, my question or my first question is, what was the nature of services that Mr. Olson was performing for NEPL that are reflected by these statements?

MS. MORRISON: I think it is fair to say, Mr. Fryman, just so we can move through this very quickly, that those have absolutely nothing to do with Nicaragua. Mr. Olson is an accountant. These were not matters that had anything to do directly or even tangentially with the Nicaraguan-related activities of Mr. Channell's organizations. In fact, they were not substantive in terms of the nature of the work that was done.

MR. FRYMAN: Mr. Channell, unless your counsel is directing you not to answer, you may proceed.

MS. MORRISON: His counsel was hoping to head off the question by telling you it wasn't relevant. If I have to, I guess I will direct him not to respond.

MR. FRYMAN: Well, Mrs. Morrison, I think the question of the overhead of Mr. Channell's organizations is a relevant issue to this investigation, and I would press the question.

MS. MORRISON: The manner of administration of Mr.

Channell's organizations, particular on a broad base where we are talking about a number of organizations, arguable the majority of which didn't have anything to do with his Nicaraguan-related activities, are not related in my view, and I would continue my direction not to answer the question.

. MR. BUCK: Is this expenditure of funds that was sought? In other words, is the money that is paid there to Olson money received from Mrs. Garwood for contra-related activities--did it come out of the same funds?

. MS. MORRISON: I don't know that that answer is knowable. Are you saying did she make a grant so that those payments could be made? The answer is no. This would fit more properly into more general overhead.

. MR. BUCK: I am wondering where the funds were received from that made the general overhead. Weren't they grants from your contributors, donations from your contributors?

. MS. MORRISON: I am not sure I am following the question as it relates to these statements.

. MR. BUCK: Where did the money come from that he used to pay his overhead?

. MS. MORRISON: Overhead is paid from the body of contributing money.

. MR. BUCK: And the money was contributed for the contra cause, for the freedom fighters.

MS. MORRISON: Not necessarily. Each of these organizations had many--more than one saleable program.

MR. FRYMAN: Well, Mrs. Morrison, are you continuing in your position that you are directing him not to answer that question?

MS. MORRISON: Unless I can be made to see what the relevance of the question is to Latin American issues, freedom fighter aid--his dealings with the White House, the fact that he didn't get any money from Iran, something that is relevant to this committee's mission, the direction will continue.

MR. FRYMAN: Well, as I say, I think the general issue of the overhead of Mr. Channell's organizations is relevant to this investigation. Indeed, Mr. Channell has publicly stated that the overhead was relatively low, that the amounts of money raised from his contributors were in comparison with other fund-raising organizations passed on to the intended beneficiaries at a higher rate, and I think this is an appropriate area of inquiry, to determine what was done with substantial amounts of money that were raised from contributors such as Ellen Garwood and Barbara Newington.

I will have a series of questions with regard to the overhead and questions about fees to Mr. Olson or just one part of this, so--I have a series of questions to ask. I don't expect this will be a lengthy series of questions, but the issue at the moment is, are you directing him not to answer this?

MS. MORRISON: Well, again, the fact that Mr. Channell has publicly taken credit for managing his organizations well or for having organizations that were well-managed and that did, comparatively speaking, to other similar organizations a very good job at getting the contributors' dollars where they belong, doesn't make that issue relevant to this committee's mission.

How well he ran these organizations, it seems to me, is not related to whether or not there are broad policy questions of interest to the Congress with respect to foreign relations and the--the pursuit of the programs, either in Iran or in Nicaragua, that this committee was formed to pursue.

MR. BUCK: I disagree with you. I think the central question that we are looking at in this committee is the privatization of foreign policy, and I think any inefficiencies that are involved with the privatization of foreign policy needs to be examined, and I think that examining overhead of an organization is directly related to that question.

MS. MORRISON: But privatization of foreign policy has to do with government activities. Mr. Channell was not a government agency. He was not using government funds, whether he managed his organizations well or not, although we certainly contend he did a good job at it, but it nevertheless seems to me it takes us far afield of whether or not there was privatization of foreign policy, which is a question of how this Administration and not private individuals like Mr. Channell privatized foreign policy.

How he ran his organizations is simply a matter for another day and another--mandate.

MR. McGOUGH: Could we--let me make a suggestion to diffuse this. Can we take a brief break here and maybe if counsel could talk off the record, I would like to talk about one aspect of this. Maybe we can clear it up.

MS. MORRISON: I am always willing to talk, because as I said, we are here to cooperate. I just don't want to go into areas that don't produce anything for you--

MR. McGOUGH: Okay, let's do that, and then let's talk. Okay? Take a five-minute break. Is that acceptable?

MR. FRYMAN: Yeah, fine.

[Recess.]

MR. FRYMAN: Okay. Back on the record.

BY MR. FRYMAN:

Q Mr. Channell, the letterhead on these invoices from Mr. Olson is [redacted] Do you also live at that address?

. MS. MORRISON: Direct him not to answer. Irrelevant.

. BY MR. FRYMAN:

. Q Do you, or have you for a period of time either owned an apartment together with Mr. Olson or shared an apartment with Mr. Olson?

. MS. MORRISON: Same direction, same objection.

. BY MR. FRYMAN:

. Q During the period October 1986 through February 1987, to your knowledge, was Mr. Olson employed full-time by a professional organization?

. MS. MORRISON: Same objection, same direction.

. BY MR. FRYMAN:

. Q Were the services that Mr. Olson performed for NEPL performed in his capability as an employee of a professional organization, or were they performed in an individual capacity?

. MS. MORRISON: Same objection and direction.

. BY MR. FRYMAN:

. Q What was the basis for establishing the fee set forth in the statements from Mr. Olson that have been identified?

. MS. MORRISON: Same objection and direction.

. BY MR. FRYMAN:

Q How many hours did Mr. Olson devote to the work for your organization for which he was paid $42,500?

MS. MORRISON: Same objection and direction.

BY MR. FRYMAN:

Q Do you know how much per hour your organization was paying for Mr. Olson's services?

MS. MORRISON: Same objection and direction.

MR. OLIVER: May I ask one question?

BY MR. OLIVER:

Q If you would turn to the financial analysis, page 2(c) of Exhibit 2, on the column on the left, about halfway down, there is your name, and opposite that, a contribution of $5,000 to the American Conservative Trust. Below that is the name Olson, and a contribution of $5,000 to the American Conservative Trust. That contribution is from Mr. Eric Olson?

A Can I answer that?

MS. MORRISON: Um-hum.

THE WITNESS: Yes.

BY MR. OLIVER:

Q Did you ask Mr. Olson to contribute $5,000 to the American Conservative Trust?

A Yes.

Q Did you reimburse him for that contribution at a later time?

A No.

Q What was your purpose of asking Mr. Olson to make that contribution?

A I wanted to raise some money for the American Conservative Trust.

Q Mr. Olson was an employee of your organization at the time you asked him to make that contribution?

MS. MORRISON: He--

THE WITNESS: I don't know what time that was made.

MS. MORRISON: The witness just answered the question. He said he doesn't know at what point that contribution was made, so he can't answer the question any more than that.

BY MR. OLIVER:

Q Do you remember the purpose? Was there a particular purpose for you and Mr. Olson making contributions to the American Conservative Trust?

A Yes.

Q What was that purpose?

A I was hoping to raise more money for the American Conservative Trust.

Q You were the principal in the American Conservative Trust; is that correct?

A That is right.

Q Did you make any other personal contributions to the

American Conservative Trust?

. A I couldn't.

. Q Why not?

. A It is the limit.

. Q $5,000 is the limit?

. A Sure. I might--

. MS. MORRISON: That is okay.

. BY MR. OLIVER:

. Q Considering the fact that you raised the literally millions of dollars from a variety of sources, why were you contributing yourself to this organization?

. MS. MORRISON: Objection and direction not to answer. We are moving very far afield here. He told you why. He wanted to increase the coffers of the American Conservative Trust. We are now getting into a debate that has nothing to do with the issues at hand. Should we go back to him?

. MR. OLIVER: One more question.

. BY MR. OLIVER:

. Q Was this contribution made at a time when you were trying to meet a deadline for the American Conservative Trust for television ads?

. A I really have no idea. As you well know--

. MS. MORRISON: That is it. You have no idea.

. MR. OLIVER: Thank you.

BY MR. FRYMAN:

Q Mr. Channell, turning to document dated October 15, 1986.

A Right.

Q Which is your identification number 28645 through 28648, and it is a letter to Mr. Conrad from Nofziger and Bragg, or Nofziger Communications, Inc. I am not sure which it is from. This document is a consulting agreement that the Channell Corporation accepted with Nofziger Communications, is it not?

A That is correct.

Q Whose idea was it to enter into this agreement?

A Mine.

Q Was this something you ever discussed with Oliver North?

A No.

Q What was the reason you wanted to retain Mr. Nofziger?

A I had had several very good meetings with him in the past where he--who retains tremendous amount of political knowledge and wonderful contacts in Washington, impressed me greatly with his political intelligence, and we were moving away from an issue that I had been really proud to work with, Nicaragua. We were going to be working with SDI in the future.

We were going to branch out and do a project on the Constitution of the United States. We were going to be working on several other big issues in the future. We were hoping to--excuse me--talk to him about helping us create contacts in the Washington community with these new issues in mind, and that is what I told him I wanted to do, and I also wanted, because the election was a year and a half away or whatever, to learn what I could from him about his political expertise.

I wanted to be able to come to him and say this was in the paper or this is happening to this candidate and this is happening. Let's talk about this. Why is this happening? I was hoping he could give me some literal political education. And--what I was going to also do was have my staff come over from time to time and have him run seminars for them to help increase their political awareness and understanding of the political process in Washington.

Q And for this, you were going to pay him $20,000 a month?

A That is correct.

Q What was the reason that this agreement was with Channell Corporation instead of one of your other organizations?

MS. MORRISON: Objection. He has answered why he got in touch on issues that are totally unrelated to Central

America and Nicaragua--and I think has definitively demonstrated that he was engaged in this relationship as a result of the fact that he was moving away from Nicaraguan issues--I think is the way he characterized it. Having thus demonstrated to why it is not relevant to why we were here, I don't see how your question about the reason for the contractual relationship with Channell Corporation, which also didn't have anything to do with Nicaragua, can be relevant to why we are here.

RPTS CANTOR

DCMN PARKER

MR. FRYMAN: Are you directing him not to answer?

MS. MORRISON: I am.

BY MR. FRYMAN:

Q Mr. Channel, the National Endowment for the Preservation of Liberty had had a number of consulting arrangements with other individuals or organizations during 1985 and 1986, had it not?

A That is right.

Q And the National Endowment for the Preservation of Liberty was not an organization limited to Nicaragua, was it?

A That is true, of course.

Q I remember now my question. What was the reason that the consulting agreement with Mr. ~~Nofsinger~~ NOFZIGER, with Channel Corporation instead of one of your other organizations, which had been the pattern for other consulting arrangements?

MS. MORRISON: Same direction. I don't think the intervening question has made it more relevant. If anything, it may have made it less relevant.

MR. FRYMAN: And I take it not only the same objection, but the same direction; is that correct?

MS. MORRISON: Yes.

BY MR. FRYMAN:

Q If you would turn, Mr. Channell to Document 35276, it has the printed material, 'Safe Deposit Boxes,'' on the sheet, and it has typed or printed by computer, ''Suburban Bank,'' and it indicates amount due, 621034. do you know what this document is?

MS. MORRISON: Objection and direction. It doesn't appear to have, nor do I know it to have any relevance to the issues before us.

MR. FRYMAN: I really don't care what you know or don't know, Mrs. Morrison. What I am interested in--

MS. MORRISON: I was inviting you to educate me, I guess.

MR. FRYMAN: I don't know what this involves either. That is my question.

BY MR. FRYMAN:

Q Does this indicate that Channell Corporation had an account at the Suburban Bank in February of 1986? If so, those documents have not been produced pursuant to subpoena. Does this indicate that you had a deposit box at this bank, or does it indicate you had a note at this bank? My question is what is this document?

MS. MORRISON: Let me respond by assuring you that you have all relevant documents that were called for by our subpoena. Indeed I would recall that you earlier were explaining that maybe you got some that weren't relevant, but in any event, you have the relevant documents, and the question deals with an entity and a subject matter that have no arguable relevance to the mandate here.

. MR. FRYMAN: I don't think that is your judgment to make, Mrs. Morrison.

. BY MR. FRYMAN:

. Q The question is to you Mr. Channell. What sort of bank record is this, and does it relate to an account that you have at the Suburban Bank or that the Channell Corporation has at the Suburban Bank? Does it relate to a safe deposit box or does it relate to something else?

. MS. MORRISON: May I consult with my client?

. MR. FRYMAN: Sure.

. [Discussion held off the record.]

. MS. MORRISON: Having consulted with the witness, Mr. Fryman, I would really renew my objection and direction.

. BY MR. FRYMAN:

. Q Mr. Channell, if you would look at Deposition Exhibit 2 for identification, and particularly Analysis II, which is headed, ''Intergroup Transfers,'' you will note that there is a transfer indicated on that schedule of $20,000 from NEPL to the Channell Corporation on November 3, 1986, which is the same date that is indicated as the due date on the Suburban Bank document which is 35276 of Exhibit

1.

. Is there any relationship between that transfer from NEPL to the Channel| Corporation and the Suburban Bank document that I have identified?

. MS. MORRISON: When you say due date--

. THE WITNESS: I am lost.

. MS. MORRISON: You have lost, I think, both of us.

. MR. FRYMAN: At the top it states, ''Date due November 3, 1986,'' which is what I am referring to.

. THE WITNESS: $621.

. BY MR. FRYMAN:

. Q Yes. It is a $20,000 transfer.

. A Oh, no.

. Q My question is, is the transfer on November 3 of $20,000 reflected on Analysis II-E of Exhibit 2 related in any way to the bank document which is Document 35276 in Exhibit 1?

. A To the best of my knowledge it is not.

. Q Turning ahead in Exhibit 1 to the December 23, 1986 letter to you from Melva Croghan of the Robert Goodman Agency, which is Document 33234^{5} and an enclosure with that letter, which is Document 33234, the letter indicates that an amount is due from the American Conservative Trust, and an amount is payable to the National Endowment for the Preservation of Liberty.

. What do these items relate to, and what was the origin of this letter?

. A This was a mistake.

. Q By whom?

. A By the lady over there. She had mislabeled our files, and this is irrelevant, and you have to sit down with our accountants so they could tell you how Goodman screwed up in this way. They discovered that they had screwed up; that they had mislabeled our files, and this was wrong.

. Q So it is your understanding that there was not an amount due?

. A Right.

. Q From the American Conservative Trust?

. A Right.

. Q And an amount that they owed the National Endowment.

. A They had mislabeled our files.

. A We owed them, I think, at the end of the year two or three thousand dollars or something like that for a bill that we had never received, but which we had owed, but this was nuts, and they did an analysis, I think, beginning in January or something and realized that they were using wrong files to do the work.

. Q So is it your understanding that the Goodman Agency is in agreement at this point that the statements in this letter are in error?

. A That is correct.

. Q Turning to a page which has a date at the top, January 5, 1987, and it has the number, 33117, at the bottom, do you know who prepared this page?

. A No.

. Q Do you recall having seen this page before?

. A No. I have no idea.

. Q Turning to the next document, which begins 33137, and continues through 33140, and it is headed, ''Public Affairs Strategy for Spitz Channel and NEPL.''

. A Yes.

. Q Do you know who drafted this document?

. A I do.

. Q Who was that?

. A Rich Miller and his staff.

. Q Do you know who assisted him in this?

. A No. I just know that he told me that he and the staff put this together.

. Q It says in the third and fo$\overset{u}{\wedge}$rth lines that this was prepared, ''with consultation from several of your senior consultants.'' Do you know who those senior consultants were?

. A Consultants were consultants. I don't have a hierarchy of consultants.

. Q But I mean do you know who the consultants were that he--

. A I just assume--I said that he and the staff had put this together, and I think he probably--it says Kuy Kendall here.

. Q Is this your handwriting on these pages?

. A The top, I'm sure is. I assume the rest of it.

. Q What is the handwriting on the first page? ''This is a political struggle,'' and under that?

. A ''Army weapons strategy action.'' When they were talking to me, they said, ''You need to think of this in these military terms,'' and I wrote that down.

. Q And on the last page by the typewritten word--I'm sorry. Not the last page, but page Number 33139--by the typewritten word, ''Antagonists,'' what is that word?

. A I think it is more question mark above antagonists.

. Q And down by ''unreasonable,'' what is that word?

. A ''Leaky,'' but that's not it.

. Q Is that L-E-H-A-Y?

. A I can't tell by my--what would that be?

. Q Would it be a name indicating Lehay?

. A Lehay? That doesn't ring a bell with me.

. Q You don't recall at this point.

. A No. It is my writing, though.

. Q Turning in Exhibit 1 to the document dated January

13, 1987, which begins with Number 33094, and goes at least through 33096, do you know who prepared this document?

. A I don't know. I assume it was our office, our accountants.

. Q Have you seen this before?

. A No.

. Q Is this something, then, you are not familiar with, I take it?

. A Right.

. Q Do you recall requesting something of this sort before?

. A Yes. This was part of the process of getting Goodman's figures correct.

. Q Was this prompted by the earlier letter?

. A Yes.

. Q From Goodman?

. A Yes.

. Q That we have looked at?

. A Yes. We engaged working with them, I think, for six weeks or two months, to figure out what in heaven's name they had done. They ended up having not done anything wrong. They just mislabeled all of our accounts.

. Q And would you turn to the document dated January 15, 1987, which is a letter to you from Colleen Vickers, and it is Number 60792. Is that another letter in this series

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of exchanges?

. A It would hav [illegible]

. Q And the ultimate result of these exchanges you have testified is that the Goodman Agency concluded that there had not been any error in the billings?

. A That's right. They had just mislabeled our files, and worked with the wrong figures, with the wrong file for ages before we discovered it.

. Q Turning to the statement dated February 2, 1987, from Richard R. Miller to you, which is Document 60855, there is a reference to Central American Freedom Program, Roman 2 research for $12,000. What was that?

. A He was going to help us generate a new program to support the new aid bill effort.

. Q This was an effort in 1987 that you were planning?

. A Beginning in 1987.

. Q Turning to Document 26951 through 20953, which are notes beginning on the first page, ''UNO talking points--and then the second page, ''Green briefing,'' have you seen these documents before?

. A This phrase is very familiar, ''talking points.''

. Q Do you know who prepared these documents?

. A I think Rich Miller's office did.

. Q And turning to the second page, to the Green briefing, do you know what that was prepared for?

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. A That was also created by Rich Miller's office. No, unless this is something for Colonel North to say. It is an outline of what has happened since the vote.

. Q How do you know that Miller's office prepared this?

. A Because this type, for some reason, I can tell was his type, and then some of the phrases that I have seen are some of his phrases. That may not be conclusive, but I think that is it.

. Q Turning to the next document, which is 27087, a letter on International Business Communications stationary to Dan from Steve, do you know what that letter concerns?

. A This Steve is--I can't remember his last name. He works for Rich Miller as a political specialists, and sometime last year he put together a list of the open seats in the House.

. Q Is that Steve Schwartz?

. A Schwartz, that is his name.

. Q Do you know why he was sending a list of open seats in the House to Dan?

. A We were putting together for Sentinel a whole political packet--who was safe, what open seats were occurring, who was undecided, all that type of thing, for me.

. Q At what time were you doing this work?

. A This would have been probably late spring when we

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began to look at what the races were going to be like.

Q Late spring of 1986.

A Yes, June or July, something like that. You won't do something like this very early, because there is a lot of time to go before elections really get going, and there might be many changes.

Q Was this provided to you after the Nicaraguan aid vote?

A Oh, it would have been later than that, definitely. It is too early in the year.

Q Turning to Document 36089, which follows the Central American Freedom Program memo that we have already discussed--

A Right.

Q Do you recognize that document?

A This is part of a draft, a description of what we do.

Q Who prepared this draft?

A I have no idea.

Q Was it done at your request?

A I don't think so. Some of the aspects of this are very inaccurate.

Q What is the approximate date of this? Was this in 1985?

A This would have been only 1985.

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. Q Was this sheet ever distributed to anyone?

. A I don't think so. It is a description for people of what the ACT did, but I have no idea.

. Q Do you recall seeing this before?

. A No.

. Q Turning to the page headed, ''Nicaragua effort targeted congressional representatives,'' which is page 8163~~6~~7 through 81638. Do you recall seeing these pages before?

. A No.

. Q Do you know who prepared these pages?

. A I don't. This is to my knowledge somebody else's activities.

. Q Mr. Channell, looking again at Exhibit 2, which are the accounting schedules prepared from your materials by accountants for the House and the Senate committees, on the first page, which is Analysis 2-A. There is a category called, ''project expenditures,'' and under that there is a group identified as, ''other,'' which has expenditures totaling $238,693.

. Do you know what is included in that group of other expenditures?

. MS. MORRISON: We understand that he didn't prepare this.

. MR. FRYMAN: I am asking if he--

. THE WITNESS: I have no idea.

MR. FRYMAN: If he knows.

THE WITNESS: No. It could be a million different things.

BY MR. FRYMAN:

Q The next heading is ''Consulting and Public Relations,'' and under that there is, again, another category which totals $74,366, and that is consulting and public relations in 1985 other than PMI and Dan Conrad.

Do you know what that relates to?

A I am sorry, I don't. I just don't know how they have done this.

Q And on this page I have one other question. At the bottom of the page in the heading, ''ACT State Election Fund,'' there is an ''other,'' total of $155,530. Do you know what that group of expenditures includes?

A No.

Q Turning to the second page, Analysis II-B, there is an indication of a project expenditure to Blackwell. Do you know what that is?

A Yes, that is the name of a company who did some work for us on--I forget whether it was studies or polls preparing for the constitution project.

Q That had nothing to do with the Nicaragua Program?

A No.

Q There is also an entry there by the name, Blackmore and Kiewlon. Do you know what that refers to?

A Yes. They are advertising and polling and survey agency in New York, and we worked with them on--it had nothing to do with Nicaragua. It was in the summer and fall of 1986, and we worked--we had some ads done for the tax debate they had here, which didn't go. And then we did something else for them on the constitution.

I am not sure--that didn't go either because we didn't get to do our program this year, but we had started either in the late summer or the fall, Blackmore and Kiewlon.

Q Were they involved in the ads for the 1986 congressional campaigns?

A They did, I think, an ad, one ad.

Q Do you know which campaign?

A I don't.

Q What is your understanding of the correct spelling of the name of that company?

A That this is wrong.

Q What is correct?

A I am not sure I can tell you that. It is Blakemore, and I think it is Kilo. This just isn't correct.

Q Are they based in New York?

A Yes, they are.

Q Turning to the second page of Analysis II-B, there is an entry on the third line for, ''performance consulting.'' Do you know what that entry relates to?

. A Are we together here? All right. No, I don't know why they call it that. That might be a firm that Dan Conrad was using for something or other. I don't know.

. Q That page of Analysis II-B indicates that in 1986 you received consulting fees from the various companies totaling $52,900. Is that consistent with your recollection of consulting fees that you retained?

. A That is salary.

. Q Did you receive consulting fees in addition to salary?

. A No, just salary.

. Q What is your recollection of the total income that you received from NEPL and your other organizations in 1986.

. A I don't know exactly what it was.

. Q Was it over $200,000?

. A I don't think so. All together I don't think so.

. Q Over $175,000?

. A I thought it was like 155 or 165.

. Q Turn to the last page, which is Analysis II-M. That is an analysis of NEPL's salaries, and it indicates gross wages to you of $161,022.

. A That would be correct.

. Q Is that consistent?

. A Close to correct, yes.

. Q But is it your recollection that you did not receive consulting fees in addition to that salary?

. A That would be correct. I pay taxes on salary.

. Q What is Ram Films?

. A They are a little--it is like a tiny Bob Goodwin firm in Maryland.

. Q Analysis II-B indicates that they were paid $29,000 by ACT Federal Election Fund in 1986. Do you know what that was for?

. A That was for our Maryland commercial independent expenditure commercial.

. Q What was that?

. A That was the independent expenditure commercial on the Maryland Senate race.

. Q That was the Barnes campaign commercial?

. A No. There was never a Barnes campaign commercial. There were many people running for Senate in the primary in 1986 in Maryland. We ran an independent ad talking about Linda Chavez and Senator McCulsky.

. Q Was that paid to Ram Films for production costs for the film?

. A Oh, I am sure that would have been also for distribution.

. Q And for purchasing air time?

A Yes.

MR. OLIVER: May I ask a question relating to that?

BY MR. OLIVER:

Q You ran this independent expenditure on behalf of Linda Chavez; is that correct?

MS. MORRISON: I am going to object and direct him not to answer. We, again, are in politics, candidates, and far afield from Nicaragua and Central America.

BY MR. FRYMAN:

Q In the 1986 public education and lobbying campaign on behalf of the legislation providing aid to the Nicaraguan resistance, are you aware of any assistance that was provided by employees of the State Department to this lobbying effort?

A Well, Elliott Abrams met with me twice. I assume you would assume he was an employee of the State Department. And we had a briefing in May of 1985. That was 1985.

Q I am not talking about the meetings with Mr. Abrams, which I am aware of. I am referring to continuing participation of State Department representatives in meetings with respect to targeting congressmen or planning strategy and the lobbying campaign.

A I didn't participate in any of that if it existed.

Q And you are not aware of any State Department participation.

A No, I am not.

Q Are you aware of any assistance or participation by Colonel North in the television advertisements prepared by the Goodman agency?

A Bob Goodman did tell me that Colonel North's office got him some type of HIND helicopters. I think they were filmed in Europe somewhere.

Q And is that it?

A That is all I know. We have an ad where it shows HIND helicopters in three different pieces of film. I don't know which one the Pentagon sold or whatever.

Q What was your involvement with respect to a program in Jamaica on behalf of the International Youth Area or International Youth Commission?

A I was invited to go to a luncheon held, I think, in Georgetown City Club Terrace by the sponsor of this thing you are talking about, and I went, and there were about 30 or 40 people there from various businesses and everything--and Prime Minister Ciaga was there and made a speech and asked all of us if we would help fund this. And we didn't.

Q Was that your only involvement?

A Yes.

Q Do you have any knowledge of any funneling of

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monies through the international youth area organization?

A No. We were going to try to help them and raise money or grant them money ourselves, but they evidently had, as I recall they had this lunch like two weeks before the event, and by the time they got back to us, the event was over.

They never gave us any material, and we said we wanted to help you, but it is too late. Thank you very much. We are sorry you were so slow in getting us to help you.

Q Mr. Channell, there were several areas of questioning that I began today where your counsel directed you not to answer, and I am reserving the House Committee's rights with respect to those areas of questions. Other than that, I have no further questions at this time.

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5:00 p.m.

. BY MR. McGOUGH:

. Q Mr. Channell, I want to fill in a few blanks in the back--in your background, if I could. You were discharged from the Army when?

. A In 1973.

. Q Was that an Honorable Discharge?

. A Oh, yes. I received an Army Commendation Medal when I left.

. Q My notes show that you told us about your first fund-raising experience with NCPAC. And that Mr. Dolan asked you to try your hand at it. Were you surprised by your initial success at that effort?

. A Very much so.

. Q Why was that?

. A I had never done it before. I didn't know it could be done.

. Q You also indicated that you were--or asked by Mr. Dolan to serve as NCPAC's National Finance Chairman. Were you the first person to serve in that role?

. A Yes, I was--the only one.

. Q You decided to focus on--after you left NCPAC, on foreign policy issues, and you said that those were of particular interest to you in light of your background. I believe you also indicated that Mr. Dolan and others--we could call them Washington insiders or Washington people had some skepticism over anyone's ability to raise money on those kinds of issues. Is that fair to say?

. A That is absolutely correct.

. Q Why did you feel that you could be successful on those issues?

. A Well, as you have just stated, I was successful at raising money, and I was aware that one of the major reasons why issues are lost in this country is because there is very little money to promote them. Everything takes money to educate the American people.

. The--every national firm in the country that promotes a product nationwide normally spends in excess of $70 million a year to get the American people to pick that product up at a local Safeway store for the first time, and they normally take a year to teach people how to move from one detergent to another.

. It is a very expensive proposition, and--not being expansive--when I first began to study foreign policy issues, I incidentally realized that the values and the goals and the projects in this city were of incredible importance to the American people, but nobody had any money--resources. We had all these political thinkers at the top, and nobody down below trying to create the resources to educate the American people about these projects.

. Q Did you initially start out focusing on European issues?

. A Yes.

. Q And what--could you explain a little on European issues?

. A Yes. As you know, the President's rearmament program to defend this country was a big one. The creation of SDI was a very important one. The defense budget in general was a very important one. Those were--that is where I was generally.

. Q What efforts, if any, did you pursue in those areas?

. A As you know, I worked for a while with Danny Graham as a consultant to raise money prior to the beginning of SDI while he was just dealing with High Frontier, and then later when he was working with SDI.

. Q Were there any problems encountered in the organization and scheduling of the Nicaraguan refugee dinner or--yes, Nicaragua refugee dinner?

. A Any--

. Q Were there any problems encountered in the organization or scheduling of the NRF dinner?

. A Well, yes. As you know, it was postponed once by the White House. We had invited many people to Washington who were going to pay several thousand dollars to come. They had said they would bring their checks with them. The next thing I was told was that the dinner was to be cancelled. And in fact, it wasn't going to be rescheduled at that time.

. I had to call all these people and say just that. Several of the people involved said, well, I guess we won't come, and don't expect a check from us for this effort. The dinner was then rescheduled and many of the people that I had talked to said they were now going to be doing other things, and they wished me well and good-bye.

. There was a constant civil war between the people who were managing this dinner and part of the hiatus, the creation of the hiatus was the fact that the people who were originally managing it were fired by the Nicaraguan Refugee Fund Organization, and then there was a two or three-week period from what I remembered when the Nicaraguan Refugee Fund renegotiated the contract with this group, and then eventually rehired the very same group to do exactly what they were doing, and this is a time when Dan Conrad was volunteering down there.

. They had told him that they were going to pay him, and then they decided they wouldn't even do that. I wasn't involved in the management. I just heard the sound and the fury and thunder every day.

. Q President Reagan ultimately addressed the meeting at that meeting, did he not?

. A He did.

. Q And he spoke about his commitment to the Nicaraguan issue?

. A The vote, as you know, had just taken place, and the President had lost, and he came to that dinner and said, we will not lose this issue. We are going to do so and so and so and so and so and so to try to regain the vote.

. Q Was the President's commitment to the Nicaraguan issue one of the factors that motivated you to raise money for that issue?

. A The speech by the President that night, as I have said to several people, set me on fire. I characterized it as lightning and dry timber. It was probably one of the finest speeches for freedom he has ever made, and I was electrified by that speech, and when I went out of there, I decided this was an issue of paramount importance to the President and he was so passionately committed to it that I felt more convinced than I ever had that I could raise support for the freedom fighters.

. Q Was that because--or at least in part because many of your contributors were also passionately devoted to the issues to which President Reagan was passionately--

. A Absolutely, and they were also passionately devoted to President Reagan. Most had been supporting him since he was Governor, even though they didn't live in California.

Q I missed a portion of the deposition yesterday afternoon. I apologize for that, but would--I would like if you would for me, and it may be repetitious, to outline the presentation Colonel North would give at the White House briefings on the Nicaraguan issues.

You bring your contributors in, there would be a number of speeches, and then Colonel North would give an overview of the Nicaraguan situation. Could you run through the general flow of that presentation for us?

A Did you have an opportunity to see the hearings?

Q Yes, I saw a significant portion of it.

A I didn't yet, but I heard that he showed the slide show, sort of. He held it up and talked. Did you hear that?

Q Yes, I heard that portion.

A Okay, I didn't. I just heard about it. That was his presentation to us.

Q To us--well, but--

A That was the deal.

Q Since you didn't know what he said--and we only have his word as to what he said when he held--can you give us an idea of how you recall his speech proceeding?

A Sure. He would begin by talking about the historic background of the coming to power of the Sandinistas. He would move on to the fact that the--that there was a revolution where multiple parties had helped overthrow the Somoza dictatorship.

. He would then say that a true democracy was in the process of being born, that the Sandinistas perpetuated a coup d'etat and seized the government from the pluralistic group of parties that were--that really had participated in the creation of the victory.

. He then would talk about the background of the junta leaders, the fact that they had education in Moscow, the fact that they had education in Cuba, the fact that some were terrorists.

. He then talked about the beginning support of communist regimes in the world for the growth of communism and terrorism in Nicaragua. He would show weapon systems brought from Europe. He talked about Libya, East Germany and Yugoslavia and Russia and Cuba bringing in organizational experts to organize a stylistic form of internal repression for the Sandinista regime.

. He talked about the nature of the Sandinista conscript. He showed--all the time, of course, showing slides that support all of this. He then would talk about the advanced military technology coming into Nicaragua. He would talk about Libyan terrorism that the Nicaraguan

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Sandinistas had participated in.

He showed--talked about weapons going to other Latin American terrorist organizations originating in Nicaragua. Talked about the support of the Sandinista regime for the M-14 terrorist movement, which destroyed--killed all of the Colombian Supreme Court.

He then would talk about the internal repression created by such a terrorist regime, the destruction of the Jewish population living in Managua, the creation of a constant and growing stream of refugees, and he would make the comment that under this terrible government by Somoza, they were for generations--there were never refugees as were generated by this splendid, humanirtic reform regime of the Sandinistas in three years, which was true.

He talked about where the refugees were coming from, the fact that there were hundreds of thousands--he again showed pictures of that. He then would talk about the creation of the freedom fighter forces, the leaders involved, what these people were like, why they were motivated to do this, why they were going out to face the Sandinistas for freedom, the tremendous courage that these people had, and fighting a powerful militaristic communist regime, and how we as Americans had an obligation to support these people fighting for freedom to recapture the revolution that was stolen from them by this coup d'etat of

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these terrorist communists who had taken power in Managua.

. Q During this period, or during this presentation, you mentioned that he would show slides?

. A Yes.

. Q What were the sources of those slides, if you know? What was the source of those slides, if you know?

. A I know that Rich Miller, for our presentation, had some, but I am not sure whether--I don't know where Rich Miller got his, and I don't know where Ollie got his.

. Q Did NEPL or any of your organizations provide any of the slides for the--

. A No.

. Q --program? The notes I saw from yesterday's testimony indicated that in the dinner meeting with Mr. Hunt in Dallas, one of the items you recalled being mentioned by Colonel North in the course of his discussion with Mr. Hunt were grenade launchers. Am I summarizing the notes accurately and your testimony accurately?

. A Yes.

. Q Do you remember if they were referred to as M-79 grenade launchers?

. A I had said that is what I thought, but I am not an expert in the numbers. I don't pretend to know.

. Q But that does sound familiar?

. A That is familiar. I am worried about it, because it is familiar.

Q All right. Was there any mention of C-4 explosives?

A I don't remember that.

Q Finally, and again, this may be repetitious--

MS. MORRISON: May I have a second?

[Discussion off the record.]

BY MR. McGOUGH:

Q This again may be repetitious from yesterday, but forgive me. It is my last question, or perhaps series of questions.

Were you aware, or were you ever told by Mr. Miller that at some point he and Mr. Gomez began to take 10 percent of contributions being passed through their Cayman Islands companies as a fee for the service of passing those contributions along to the contra organizations or to Lake Resources?

A Yes, he told me that.

Q And when did he tell you?

A It was late last year.

Q After public disclosure of the Iran initiative?

A Yes, I think precisely when you are talking about, that is after the Iran stuff, but I think before we got deeply involved.

Q And how did he explain that to you?

A Just exactly the way you did. He was just very honest about it, and he said, I am not sure you know this, but we have taken--you said 10 percent. I am not sure whether it was 10 percent or not. That may have been the figure.

. Q So, you did not know ~~it~~ at the time it was going on, only retrospectively; is that right?

. A That is right, before his report came out to us, he told me that.

. Q Did you--what was your response to him at the time that you learned of that?

. A I was a little upset at that, because I--you know, he had done an incredible, good job for us in almost every aspect of his work, and I thought we paid him pretty much what he felt he needed for his business, and I--sort of felt a little embarrassed that he didn't have the courage to share with me earlier, and that he felt it was necessary to do that. If you understood what I am--saying--

. Q Let me just ask Tom one question, and then you maybe--

. [Discussion off the record.]

. MR. McGOUGH: That is all I have.

. THE WITNESS: Off the record.

. [Discussion off the record.]

. BY MR. OLIVER:

. Q Mr. Channell, you indicated in relation to the letter from Steve Schwartz to Dan Conrad--you indicated that this had to do with Sentinel on the record a little while ago. Why would Sentinel be interested in the open seats in 1986 after the vote had already been taken? It is my understanding the Sentinel was a lobbying operation.

. A I wasn't aware that I said Sentinel. You would be correct in correcting me.

. Q If it was not Sentinel, what would it have been?

. A Either ACT, ATAC. No, it wouldn't have been Sentinel. We wouldn't have asked for it--

. Q You also indicated in relation to the strategy paper that was prepared for you by Rich Miller related to the charges and allegations that appeared in the Lowell Sun, that the notes that you had made on that piece of paper indicated that you should think of this as a military strategy in dealing with these allegations; is that correct?

. A That is right.

. Q And you said that when they were talking to you, they indicated you should think of it in that way?

. A Yes.

. Q Who was they that were talking to you?

. A Rich Miller and Dan Kuykendall were there.

. Q They were--

. A Presented the paper to him.

. Q They were briefing you on--

. A What they thought.

. Q On that paper?

. A Yes.

. Q Did you retain Dan Kuykendall in December of 1986 through May of 1987 for lobbying purposes?

. A I think we have--we did. I am not sure he is--had to do anything, but we paid him.

. Q Did you pay him in excess of $100,000 in December of 1986 and June of 1987?

. A I don't think so.

. Q Did you pay him--

. A At all.

. Q Was a figure of $12,000 a month negotiated between you and Mr. Kuykendall in December of 1986?

. A It was a little earlier than that, but that would have been the figure.

. Q Did those payments continue through May of this year?

. A Some have. We have not--we have not done--we did a little bit of lobbying, I think, in January or February, and then he helped us get information on Afghanistan, and introduced us to some people on Capitol Hill who are experts on Afghanistan, and he has worked with us on three other programs that have had nothing to do with overt politics.

. Our Glasnost project, for instance, talking about the Russian peace offensive, the new summit that is coming up and something else--he about seven or eight programs this spring that he has really helped introduce us to people about--oh, the conference that we have also been planning and researching, he has helped with a lot on democracies and insurgency warfare.

. Q If I could ask you to turn back to that document in Exhibit 1, which would be around January 5th of 1987--

. A The strategy paper.

. Q Yes, public affairs and strategy paper for Spitz, Channell and NEPL.

. A I don't know why I don't know where that is. Thank you very much. All right, sir.

. Q This public affairs strategy for you that was put together by Rich Miller, Dan Kuykendall, and I assumed David C. Fischer and Associates, since they were also mentioned in the first paragraph. Did you adopt this strategy?

. MS. MORRISON: I have got a relevance problem with that.

. MR. OLIVER: Well, if you will look at page 3, you will see on that page the names of members of this select committee, and I would like to ask Mr. Channell about the strategy as it related to those members of his investigative committee.

. MS. MORRISON: We are not looking at the same page.

MR. OLIVER: You are looking at that page.

THE WITNESS: These--I don't think these people are the members of the committees, with all due respect to you. This is McCurdy--

MR. OLIVER: Well, if you will look at--

THE WITNESS: --on the committee.

BY MR. OLIVER:

Q If you will look at page two, the previous page, it says the select committees are not even convening until late January and early February, but during this time, staff members will be picking their targets. We shall move quickly to reassure our friends and to placate our new-found antagonists.

A Yes.

Q Are the new-found antagonists the members of the select committee?

A I don't think--when this was written, I don't think anybody knew who they were or if those people would be antagonistic. This was written so early that--this was written very early in this crisis. As you know, it was written prior to the naming of the committee members. That is how early it was written.

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[5:30]

. Q Do you think it's just a coincidence that most of the names on that list are members of the select committees?

. MS. MORRISON: Mr. Oliver, now you are debating the document which he didn't draft. Someone else wrote it for him. You are debating with him about how names got on the list and whether or not it's a coincidence.

. MR. OLIVER: Counsel, he just indicated he was briefed on this strategy paper by Mr. Miller and Mr. Kuykendall so I assume he is familiar with it.

. MS. MORRISON: I also have a standing objection on what the relevance is. That is where we started this diversion on to page 3 of the document. I don't see what his strategy for dealing with the crisis after it had arisen and was over has to do with the committee's mission with respect to finding out what led to it.

. MR. OLIVER: I'm trying to determine, Counsel, whether or not the names that are associated with the members of Congress listed there, all of whom have been discussed at one time or another in this deposition, most of whom were on Mr. Channell's payroll in 1985 and/or 1986 had any assignments that were related to this investigation, and whether or not Mr. Kuykendall was paid to lobby this committee by Mr. Channell.

THE WITNESS: No.

BY MR. OLIVER:

Q Could you tell me, Mr. Channell, what along in the left-hand column on page 3--there are listed a number of members of Congress.

A Yes.

Q And opposite each one of them is a name of someone who has been on your payroll.

A Yes.

Q In 1986, is that correct?

A That's correct.

Q Why are those names listed opposite the members of Congress?

MS. MORRISON: Again, Mr. Oliver, you are talking to him about a document and a list he didn't create.

MR. OLIVER: It's a document that was created at his request by people whom he paid to prepare the document, and is a document upon which he was briefed.

MS. MORRISON: Do you want to ask him whether he was told about those names?

MR. OLIVER: I'm asking him whether he knows.

MS. MORRISON: Do you know why the authors of the documents put those names next to the congressmen?

THE WITNESS: The strategy as I was told would be that these people would try to take--the deal was the article from the Lowell Sun. That is what this was focused on, and they were going to talk to these people about the article in the Lowell Sun, and tell them what a lie, total, unmitigated lie that was, and tell them that from their dealings with me as paid consultant and experience with me that this was a lie, a libelous lie. That is when this document was put together, after that article had come out, and that is what this document is focusing on.

BY MR. OLIVER:

Q Were you going to pay these people to do this?

A I was not involved with paying Dave Fischer anything at this time, and Dan Kuykendall, he was doing this I think for me as a friendship. They were all incensed that a paper would write such things. This was not why I had employed these people at all.

Q It indicates in the top paragraph on page 3 in the second sentence of the first full paragraph, ''The schedule of meetings and who will attend will be handled by Dan Kuykendall in conjunction with Lyn Nofsiger and IBC.'' What meetings were they referring to?

A I think what they were going to do, because this of course was never implemented, was to meet with various congressmen and show them our financial records, prove to them that this was a lie. That was my idea, because they wanted to take our financial records immediately, they wanted to take our PAC records and everything, fly up to the House and say to these people ''we have the proof that all this Iran stuff is a lie, and here it is.''

. Q And they did not do that?

. A They did not do that because the contra part of the Iran business began within weeks after that, and the whole issue became much more complex, and they did not do that.

. Q So this plan was not implemented?

. A That's right. This plan was based almost entirely upon the Iran business and the supposed disclosures.

. Q This plan was?

. A Yes. That is during the time in which this was promulgated. That is why it sounds so historical, that wasn't even a committee yet.

. Q Do you remember when you were briefed on this document?

. A It was early in January at the latest.

. Q The committee members were named in December of 1986, so this would have taken place after committees.

. MS. MORRISON: He said at the latest, Mr. Oliver.

. THE WITNESS: We must not have known. They would have been on it.

. BY MR. OLIVER:

Q Did there come a time, Mr. Channell, when you received a check from PRODEMCA or two checks from PRODEMCA to repay the grant that you had given to them in 1986?

A They eventually sent those back, yes.

Q Why did they do that?

MS. MORRISON: Just a minute. There is no foundation for that question. You are asking him to surmise what was in someone else's mind or what a group of people had as their collective intent for returning funds.

MR. OLIVER: I'm asking him if he knows why they returned the $90,000.

MS. MORRISON: Ask him.

BY MR. OLIVER:

Q Do you know why they returned the $90,000, Mr. Channell?

A All I know is that their board voted to do that, and it was done. That is what I found out.

Q Did you know they were going to send the money back to you prior to your receiving the letter with the check?

A No.

Q After you received the letter with the check, did you discuss it with Mr. Kimble?

A I haven't talked to Mr. Kimble this year. The letter did not come with the check.

Q Did you discuss with Mrs. Garwood at any time the return of the grant from PRODEMCA?

. A No.

. Q Did you know that Mrs. Garwood received a letter from Mr. Kimble explaining why they had sent the grant money back?

. A No. I'm glad to know it.

. Q You indicated that you had two meetings with Elliott Abrams. I assume one of those was a luncheon?

. A Yes.

. Q Which occurred in early January of 1986?

. A Yes.

. Q Is that correct?

. A Yes.

. Q And present at that meeting were you, Mr. Conrad, Mr. Artiano, Mr. Fischer, Mr. Abrams?

. A I think Rich Miller.

. Q And Rich Miller?

. A That's correct.

. Q Were the Goodmans present, Bob and Anna Goodman?

. A I don't recall that.

. Q Did you show Mr. Abrams the story boards for the television ads that you planned to run at that luncheon?

. A I don't remember that we did.

. Q What was the purpose of the luncheon?

. A The purpose of the luncheon was to ascertain from the assistant secretary what he thought the progress of their proposed legislation would be through the subcommittees and committees in the House and the Senate.

. Q Did you indicate to him at that time that you were planning what was known as the Central American freedom program?

. A Yes.

. Q Did you indicate to him that you were going to run television ads?

. A Yes.

. Q Did you indicate to him that they would be run in targeted districts?

. A We don't know where at that point we were going to run them.

. Q Did you ever consult with Mr. Abrams or Mr. Robert Kagan of his office about the legislative strategy related to the Central American freedom program?

. A At that luncheon the assistant secretary--that is why we met, to find out the timing for the movement of the bill, what his views were. Am I not being clear in that? I'm not a specialist in the lobbying business, so my wording may be poor, but I wanted to find out when they were going to propose the bill formally, how it would go through the committee, what they felt were the prospects for it, did they feel that they were going to have to rescind some of

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the provisions, and did they feel it would be amended. Did they feel it would get bottled up. That entire range of knowledge. I had none of that knowledge, and that is why we went to him for advice, to find out what that time frame for that march through might be.

. Q My question was, subsequently did you consult with Mr. Abrams?

. A No.

. Q Or anyone in his office about the Central American freedom fighters?

. A No.

. Q I just want to ask you a few more questions about Exhibit 2, if I may, if you could turn to that. On page II-B toward the bottom under ''other expenditures,'' there is an indication of an expenditure of $40,000 by Sentinel for something called North Defense.

. A Yes.

. Q Could you tell me what that was for?

. A That was money that we had originally collected to give to the Oliver North Defense Fund, and then we were told by counsel that we couldn't do that, so we had to send back the fund, which we did.

. Q Why did the check come from Sentinel?

. A You know, I don't know.

. Q Wasn't Sentinel your lobbying organization?

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. A Yes. I have no idea. In fact, that might even be in the wrong place. I have no idea. It must have been that our counsel told us that we had to use Sentinel because it was not to give a grant to that, was not a tax-deductible matter. When you give money to legal defense funds, it is not tax-deductible money, and so it was suggested that we request money to put in the Sentinel and then give the grant from Sentinel.

. Q But then after you gave the money, it turned out that you couldn't give the money from Sentinel?

. A No, that we couldn't give that much money at all, and that my lawyer said, ''Spitz, you need to send all the money back because each person can give some, and they would probably want to give their money. Since you can't give that much''--for a moment, I don't know whether you remember it or not, like a week or two, Colonel North had a defense fund. Then the Board of Governors during that week changed, and I'm not privy to why, and then they stopped the defense fund, and we were in the process of giving money or raising money for the defense fund, and getting ready to give money for the defense fund, and then those people evidently put everything in reverse and stopped it. We got the checks back, and sent them back.

. Q This entire amount?

. A Yes.

. Q You indicated earlier yesterday that the Central American freedom program was a lobbying program.

. A No.

. Q Is that correct?

. A It's not correct at all. Central American freedom program was an educational program. Our lobbying program was our Sentinel program.

. Q The Central American freedom program was designed to influence legislation, is that correct?

. A No. It was designed to educate the American people.

. Q Were the activities of Edie Frazer designed to influence legislation?

. A That's correct.

. Q Were the activities of Jack Lichenstein designed to influence legislation?

. A That's correct.

. Q Were the television ads in the targeted districts designed to influence legislation?

. A The Sentinel ads were, yes, directly so.

. Q The other ads that were run by the Goodman Agency were not designed to influence legislation, is that correct?

. A That's correct.

. Q Why were they run in specific targeted districts?

. A Some were, some were not, as your records will show. We ran some in Barbara Newington's state. We ran some in Texas where there weren't any targeted people. We ran some in Miami, because of Mr. Pierce, who was one of our contributors. In all areas we wanted to educate and inform. You choose what you can. We didn't have unlimited funds, and we had, as I have talked about, a variety of needs to do that. Our Sentinel ads were very directly related to the legislation. As you know, after the 22nd or whatever it was of March, our educational ads went forward, even though the vote was over. Our Sentinel ads began I would say a week or 10 days prior to the vote, and stopped the morning of the vote.

. Q Would you turn back to Exhibit 1, the letter of April 15, 1986, to Rich Miller.

. A What was the number of that?

. Q It's dated April 15. It's 079240.

. A Yes.

. Q You indicate in there in the second paragraph from the bottom of the first page that you began to notify your subcontractors and consultants that all Sentinel financial arrangements with them would be terminated on April 15. Then on the next page there is a list of eight people and one organization. Could you tell me which people on that list were subcontractors to Sentinel, paid by Sentinel?

. A Well, we would have the record there on your sheet.

It would be Goodman would be part of it, and Edie Frazer would have been part of it, Kuykendall of course would be part of it, Lichenstein would be part of Sentinel. Goodman of course did both. Kuykendall participated in both.

. Q Mr. Artiano or Mr. Cook were not paid by Sentinel?

. A That's right.

. Q And Kimble was not paid by Sentinel?

. A That's correct.

. Q Did Sentinel register with the House of Representatives as a lobbyist during this period of time?

. A Yes. We were late once with the report, but, yes, we registered. Yes, we filed the report.

. Q In 1986?

. A Not only did we but Dan Kuykendall filed. In fact, he helped us write our Sentinel report because he was the major lobbyist for us, so that when he referred to Sentinel activities, he would be referring to what he had done for us. We would be listing in detail what he had done for us by his knowledge.

. Q He was your principal lobbyist?

. A Yes.

. Q And you indicated yesterday I think you used the term that you practically lived with him in 1986?

. A Yes, and we are talking about five days a week. We used to share a meal almost every day of the week, and he would call me at five minutes after 11:00 every Sunday morning for the weekend round-up of news which had occurred since he went to bed the night before. Incredible.

. Q And for that, as your principal, obviously you paid him a total of $11,000 in 1986?

. A I think you mentioned 12. Twelve I think is accurate.

. Q And that is all that you paid him?

. A That was an agreement per month, for all of their activities.

. Q Per month?

. A Yes.

. Q If you would turn to analysis II-B, statement of operations, 1986, that we have compiled, it shows a total in 1986 to Mr. Kuykendall of $26,113, only $11,000 of which came from Sentinel, and the other $14,080 came from NEPL. For all of Mr. Kuykendall's lobbying efforts in 1986, he was only paid a total of $11,000, is that correct?

. A I think probably some of that that is not reflected here is reflected in what Rich Miller paid him the first part of 1986. As I have told you before, he worked with IBC as I guess you would call it IBC's lobbying research man for a long time. I made no agreement directly with Kuykendall until a very small agreement we had in June or July, and then we redid that agreement later in the year, and that is the first time we directly picked up Kuykendall's bills, so this would reflect this part of the year.

Q So for all those meetings five days a week during that period of time as your principal lobbyist, he was only paid by your lobbying organization $11,000?

A Yes.

MS. MORRISON: Mr. Oliver, you have asked the question. The witness has answered the question. The $11,000 figure is your figure, not one that Mr. Channell has given you. He didn't do that document. Exhibit 2 is something that you all put together.

BY MR. OLIVER:

Q Mr. Channell, you referred in a number of these documents or referred to in these documents, you used the code name of Green for Colonel North. What was the purpose of that?

A You have stated the purpose. It was a code name that we were introduced to when we first started working with Rich and Frank. They called this man Green. For a very long time, like two months, when they were referring to Colonel North, I thought they were talking about a Mr. Green, and it wasn't until our meeting with him that they talked about Green that I finally identified Colonel North as the man, and to my knowledge it was a nickname; I have never known why they did it. Unless I was writing very quickly, I never did it. I always used to write Colonel Oliver North or Ollie. To this day I don't know why they code-named him that. I don't know what it means other than somebody's code name. I never knew what you needed the code for.

. Q Did you instruct your employees to refer to him as Green?

. A No. They loved to do that, because that was exciting, but they would hear me talking on the phone about Ollie North, writing letters about Ollie North. I know Ellen Garwood loved to call him Mr. Green, and when she would write me letters thinking that Mr. Green was her real son, I got the impression that she was talking to me on the telephone underneath her bed, about the fun she was having. She always used Mr. Green religiously.

. Q You indicated earlier that the ads in 1985 run by the Goodman Agency were paid for by the American Conservative Trust, is that correct?

. A That's correct.

. Q And I believe that the total in 1985 that was paid to the Robert Goodman Agency for these ads was $282,678; $168,000 from NEPL, and $114,085 from the American Conservative Trust state election fund?

. A Yes.

. Q These ads were designed to influence the vote in

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Congress, isn't that correct?

. A The ACT was, yes.

. Q Why were these ads paid for by a state election fund?

. A Because at that time we had no lobbying organization, and our counsel said that we could use the state election fund to talk about those issues, which we did.

. Q You could use the state election funds?

. A That's right.

. Q To influence Federal legislation?

. A To talk about those issues, yes.

. Q Did he give you that opinion in writing?

. A I don't know whether it came in a letter or not.

. Q Did the transfers that were reflected from NEPL to Sentinel in 1986 of approximately $122,000--was the purpose of those transfers in March to pay for the Sentinel ads prior to the vote that was to occur in Congress in April?

. A No. The five or six transfers you are talking about, you might have been out of the room at the time, I said that I was unaware that those were occurring. I only knew one, and that was a mistake. They had written a check incorrectly, so I don't know about that.

. Q Who had the authority to transfer $122,000 in a three-week period from the NEPL account to the Sentinel

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account?

. A Dan Conrad had the authority to write checks back and forth. I wasn't aware of it. As I just said to you, I wasn't aware that that happened, if indeed it did. There may be, by the way, some very legitimate reason why that had to be done. As you are well aware, every ~~150~~501(c)(3) spend a certain percentage of its budget on lobbying. The IRS has never made a complete designation as to what amounts. There are many 501(c)(3)s who will spend 10 percent of their budget. For us that would have been last year, 1986, $750,000 from NEPL to Sentinel, if they wished.

. Q I'm not aware that a 501(c)(3) can spend 10 percent of their funds on any lobbying.

. A Fine. You may refer to the New York Times and the hearings that have been held here on that this spring. I wasn't aware of it either. Our lobbying expenditures from our 501(c)(3), if you count all that together, amounted to 1.5 percent of our NEPL income for last year, which would be far below the national average formally acceptable to the IRS, so even if we did, even if I had known about that, I think that would have been well within the law.

. Q If the balance in your NEPL account had been seriously affected by this transfer of tax-deductible funds to a lobbying corporation for the purpose of running television ads, do you believe that that might have been a

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violation of the tax code?

MS. MORRISON: I object to the question. We are not going to talk about hypotheticals here. He is not a lawyer and doesn't profess to be.

THE WITNESS: I'm afraid I'm going to have to try to run out.

MR. OLIVER: I have got a lot of other questions. We will just postpone them for another day.

[Whereupon, at 6:00 p.m., the deposition adjourned.]

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ORIGINAL

DEPOSITION OF CARL ~~SPITZ~~ Russell CHANNELL

Thursday, September 17, 1987

House of Representatives,
Select Committee to Investigate
Covert Arms Transactions with
Iran,
Washington, D.C.

The select committee met, pursuant to call, at 10:15 a.m., in B-352, Rayburn House Office Building, Spencer Oliver (Associate Staff Counsel) presiding.

Present: Spencer Oliver, Associate Staff Counsel, House Select Committee, and Chief Counsel, House Foreign Affairs Committee; Tom Fryman, Staff Counsel; Kenneth R. Buck, Assistant Minority Counsel; and Victor Zangla, Associate Staff Member, House Select Committee.

Also present: Alexia Morrison, Esq., Swidler & Berlin, on behalf of the witness.

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Declassified/Released on DEC 24, 1987
under provisions of E.O. 12356
by D. Sirko, National Security Council

Whereupon,

CARL SPITZ CHANNELL

was called for as a witness and, having previously been sworn, was examined and testified as follows:

FURTHER EXAMINATION BY COUNSEL FOR THE SELECT COMMITTEE

MR. OLIVER: This is a continuation of the deposition of Carl Channell. The witness has been previously sworn.

BY MR. OLIVER:

Q Mr. Channell, we were talking, discussing the other day the Central American Freedom Program and the development of that program, how it was executed and who was involved. One of the exhibits that was discussed last week was a letter from you on April 15, 1986 to Richard Miller that related to our subcontractors,'' quoting the letter.

Do you recall that letter?

A Yes.

Q I would like to ask you about some of those subcontractors, but before I do, I would like to enter as Channell Exhibit No. 50--I ask the reporter to mark the exhibit. The exhibit is a memorandum to you from Rich Miller and Frank Gomez dated January 9, 1986, Subject: Freedom Program.

[Exhibit No. 50 was marked for identification.]

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under provisions of E.O. 12356
by D. Sirko, National Security Council

BY MR. OLIVER:

Do you recall receiving that memorandum?

A This?

Q Yes.

A No.

Q Do you recall Rich Miller and Frank Gomez recommending to you that Bruce Cameron be retained by your organization or through PRODEMCA?

A They introduced me to him and that is how we came to try to help him. I had never known him before.

Q But they recommended that you give a grant to whatever entity you ultimately gave a grant to to retain Bruce Cameron; right?

A They recommended that he be brought on to the program and that we pay him either directly or through Rich Miller's efforts.

Q Is it also the case that David Fischer and Marty Artiano were introduced to you by Rich Miller?

A Yes.

Q He recommended that your retain these people for various services to your organization; is that correct?

A Yes.

Q Is it also true that Rich Miller recommended the Goodman Agency for the television ads that were prepared and run in 1985 and 1986?

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. A I think so.

. Q Is that correct?

. A Yes.

. Q How did you meet Dan Kuykendall?

. A I was introduced to him at Rich Miller's office.

. Q Is it also true that Rich Miller recommended that Dan Kuykendall be retained by you for services to your organization?

. A Well, Rich was part--I mean, Dan Kuykendall was part of--Dan Kuykendall was evidently a resource to Rich Miller whom I came to value halfway through 1986 a lot. And then I made a direct relationship with Dan Kuykendall in July or August.

. Q But the original relationship between you and Dan Kuykendall emanated from your--

. A Rich Miller's work with Kuykendall trying to help me with information, yes.

. Q How did you come to know Penn Kemble?

. A Rich introduced me to Penn also.

. Q Did Rich Miller recommend that you give a grant to PRODEMCA in furtherance of the Central American Freedom Program?

. A No. I don't remember that. Penn Kemble himself talked to me about their need for funds to help place this ad that they ~~we~~ were currently writing in various newspapers, and

I asked him how much it would be, and I forget. I don't know whether we were able to get him all of it or just part of it. I don't recall that Rich asked me to do it or Penn himself asked.

. Q You had originally been introduced to Kemble by Rich Miller?

. A That ~~s~~ is right.

. Q How did you come to know Lyn Nofziger?

. A I had--Rich took us over to see him I think twice or three times, and at various times Rich would say, ''I have just met with Lyn and Lyn thinks you should be looking at this, studying that. You are not doing this, and what do you think.''

. And he said this a very great deal. And most of the time I would go hmm. Eventually I thought maybe I should go see Lyn Nofziger myself and talk to him directly.

. As you know, I eventually began to create official relationships with Rich's board of advisers directly myself, because Rich Miller was--it was my view that he was not going to be as strong on a lot of other programs as he had been on Nicaragua, and I did not want to lose the benefit of all this wisdom when we stopped Nicaragua.

. As you know, I was beginning to work on other programs even in March and April~~,~~ 1986 because Nicaragua was supposed to end the 20th of March and we had scheduled to start working on SDI, the Constitution project, Freedom Minutes, the fourth of July celebration, lots of other things the 21st of March.

And when I had talked to Rich a lot about this, he didn't--you may not ~~use~~ know this phrase, "bring to the table" tremendous ability and knowledgeable people.

I said I am just going to have to get out and get these people myself or retain them myself for these other projects because Rich doesn't carry that experience and that expertise.

So very shortly after the first vote and by late spring, I was really moving myself to see these people. I had already created official relationships myself with them.

Q So these people whom you came to know through Rich Miller or who were recommended by Rich Miller eventually became directly involved with your organization?

A That is right.

Q When did that begin to occur?

A Beginning in late spring, I would say, April or May.

Q So that would have been Mr. Fischer and Mr. Artiano?

A We ended up giving them--not Marty Artiano, but we gave Fischer, I think it was two checks without IBC being involved in the late summer or early fall because we weren't really working with Rich very much then at all. And that, by giving him those checks, we were saying that Rich wasn't--that David was not part of Rich Miller anymore.

. We gave the money directly to David for his help on our programs.

. David had an ability to help us far and away more than Rich Miller did because David was not pinned to one issue. David has connections all over the United States. People who support the President, on a variety of issues, and we were moving on to a variety of issues. And so David was going to be real heavily involved in helping us frame, for instance, our Constitution project.

. I am sure you have seen the Dan Conrad ''to do'' list, 8 or 10 pages of names that David and we helped put together of people we wanted to contact all over the United States to help us fund the Constitution project.

. Rich Miller just didn't have anything like that to "bring to the table."

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. Q Why did you go back to Rich Miller and IBC in, I believe, December or January--December of 1986 or January of 1987, if you had believed that they couldn't help you with future programs?

. A As early as November, when I found out how the freedom fighter bill had finally been fashioned to be signed, we realized that we were going to have a battle in early January--that is when we thought the battle would occur, to release the $40 million.

I called Rich and said, ''We are going to have to get back together. We are going to start Nicaragua again. We need to have some meetings and find out what the proceedings ~~is~~ are going to be, what you think, what your resources say.''

I, of course, was dealing with other people, too, but I had only hired two people that he had dealt with and he had friends at the State Department, friends at the White House, friends from Central America, congressional people, whom I had heard the names from time to time, but I had never dealt with them myself.

A I said, ''We are going to have to get together and get a program ready for early January. They are going to try to defeat the $40 million, so let's start meeting.''.

Q Did you get a program ready for January?

A We never got it ~~nothing~~ going. We worked with Kuykendall on it as a lobbyist, but Rich Miller was ~~so~~ also involved, as I became, with this project, that we couldn't do it. But we did spend money with Kuykendall who seemed to have his hand on it.

Q So the $40 million was released without much of a struggle?

A That is right.

Q So that was really the end of the Central American Freedom Fighter Program?

A Yes.

Q What else did you retain Rich Miller to do in late 1986 and early 1987?

A Well, we were going to work on several--we were hoping to work on several other programs, and--

Q Did you retain him to do a study of domestic organizations that were supporting the Sandinista Government?

A He had suggested to me that this could be done, that he had tremendous sources of information he had been compiling and did I think this would be a worthwhile project.

I said, ''My goodness, yes, that would be wonderful if it could be thorough and complete.'' I had haphazard pickups of information from time to time and I thought that would really be wonderful to be able to show the entire, if it was possible, voluminous report on the activities of those people who differed with the President on freedom fighters on Central American policy.

Q Did he do that study for you?

A He did--what would you call it--a final draft of it.

. Q With an appendix? Was there an appendix to the draft?

. A I don't know; maybe.

. Q What did you do with that final draft when he submitted it to you?

. A We had eight or ten copies of it, four or five copies of it.

. Q What did you do with them?

. A I think I had two copies in the trunk of my car.

. Q What did you do with the other copies?

. A I gave some away to my staff, and I think we may have sent one or two out. As I said, we had so few. The thing was about two inches thick, and I don't know what other people did with theirs, but mine I think is in the trunk of my car. It wasn't finished, of course.

. Q You said you sent one or two out. Do you remember who you sent it to?

. A I don't remember whether I sent any out, but we may have.

. Q Do you know whether any copies were sent to Members of Congress?

. A I don't think so. It wasn't finished.

. Q Why would you send it out?

. A That is right, it wasn't finished.

. Q You said you sent one or two copies.

. A I think we sent one to somebody in California maybe and one of our contributors. I don't know what happened to the rest of them. There were very few--we never finished the project, because it turns out that the funding was going to be more than we could afford, and so I just said since we can't afford it, we are just going to have to stop.

. Q Did you give one to Dan Kuykendall?

. A He ~~I~~ should have had one. I am not sure I gave it to him. I well could have, to go over, because he would be one of the people who would have such expertise that he would need to go over, not necessarily, edit the entire report.

. Q What expertise would he have that related to study of such organizations?

. A He would know, I think he does know many of the groups that lobby on Capitol Hill for points of view that are contrary to the President's policy, because I assume that he would bump into them from time to time in his work up here. He should know a lot of them.

. Q Did you discuss the report with him?

. A I don't recall any specific discussion with him. As I say, it was never finished like I was hoping.

. Q When Mr. Miller conveyed the draft report to you, did he indicate to you that you should consult an attorney prior to making any use of that document?

. A I don't recall that. Again, it was never finished.

It was never put into a position where we could present it. I was going to eventually have a press conference and hand it out to the world, but we never came close to being in that position because it was never finished

. Q do you have knowledge as to whether or not that document was ever conveyed to any staff member, a Member of Congress or a Member of the Senate?

. A I don't know.

. Q You have no knowledge?

. A No.

. Q Did you ever discuss the paper with Congressman Kuykendall?

. A As I said, I am sure at some time that we should have discussed it, because I wanted him to go over it, review it, make it better, criticize it, and--

. Q Do you recall discussing with him how it might be utilized?

. A Well, my idea, as I said, was to have a press conference and give it to the world. He might have had different ideas.

. Q Did Rich Miller's idea for this report come to you after the 25th of November 1986?

. A Yes. However, we had discussed the need to do this type of thing as early as March or April of 1986. He came to me with this idea because he knew that I was looking for this.

. When we had first hired--I don't remember the other guys name who went down to Nicaragua and made a report on human rights--Wes Smith--I said to Rich, ''Wouldn't it be wonderful if we could have some people do some studies on all the activities of all these groups in this issue and find out where they are coming from, who their sponsors are, what their goals are, everything, and do a large study? Nobody knows who is involved.''

. Q But you didn't do that?

. A No. So Rich Miller came back to me late in the year and said, ''I think we can put all this information together and do a major study.'' I thought that would be wonderful.

. Q Weren't you rather concerned at that time with other things such as the article that appeared in the Lowell

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Sun~~day~~ and the $40 million that needed to be voted upon for release in February?

. It seems like an unusual time for you to begin a project that you had thought about for some time and hadn't actually undertaken.

. My question is, was the decision to have this study done related in any way to the investigation or the investigations that were underway in December and January of 1986-1987?

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A No. As I am sure you are well aware, I made a major statement on the Lowell Sun~~day~~ newspaper business, because that was just something that was totally out of this world, totally a bunch of lies, and we thought that it was some political attack on us.

And after all, we had been very active on an issue that was very controversial and we expected to get attacked, but not in this fantastic form, but we expected to be attacked.

On the other hand, the $40 million, which we felt frankly was going to require a smaller, more technical program to try to help it to get over the lump, we had sort of a--I looked at it as a breathing space, and we had compiled, all of us had compiled so much information, so many news clippings, so many people had spoken on the issue of Nicaragua that I thought this was a real good time to do a study of exactly who the forces were that were making policy in the United States regarding Central America and get it all together for once.

Simply to what you are doing right now, after there have been investigations and hearings, now you are putting it all together, you have time to edit, put things together, talk to people extensively.

This process is not unique to the House of Representatives.

. Q I wish we did have that kind of time, I really do.

. A We felt that we had been exposed to so many different groups, new groups, what they were doing we weren't sure and I learned about a lot of groups I never knew existed before and I was very anxious to get something together, a huge volume that would talk about what was going on.

. We had very little authoritative information during the entire campaign as to what group was doing what, where they were coming from and I thought this was a good time.

. Q Did you read the report?

. A I read it once, yes.

. Q Did you convey an opinion to Mr. Miller about the merits of the report?

. A Yes.

. Q What did you say to him?

. A It was no good.

. Q Why not?

. A Well, there were lots of--I didn't feel like it had much meat in it. There were lots of Xeroxes from articles and legal documents which were old, and I didn't know the relevance of them. There wasn't a narrative that truly developed where the entire panoply of groups were coming from.

. It was exceedingly incomplete as to the number of groups that were discussed. I think there were only maybe four or five groups of any substance that were discussed. And I said to him, ''This is just--'' in a long conversation--''extremely incomplete. It is exactly what we want in a very well defined form dramatically expanded.''

. At which point he said, ''That is going to cost a lot more money because if you want that, we are going to have to do a lot more research. It is going to take a lot longer.''

. I said, ''Okay, I will get back to you.''

. Q How much did you pay him for the draft?

. A I think the two months of research or whatever was $10,000 or $15,000 and putting the final draft together.

. Q After the $40 million was released without much of a struggle and you had rejected the draft report on domestic groups, what projects were you involved in from that time until June of 1987?

. A Well, we worked on our--on doing a lot of research in preparation for an Afghanistan news update television program. We did some research on a meeting, planned to have a meeting to discuss insurgency warfare.

. We have worked on--well, we actually even before that, in December and November, we worked on a program in Germany to create a monument there to freedom.

. Q Between February and June of 1987?

A No, that started in November. We worked on a glasnost project to help educate the American people as to what glasnost meant and the various aspects of bilateral relations between the United States and the soviet Union.

That is not all of them. I just can't remember.

Q Did you retain any experts on those subjects to do that research for you?

A I don't recall that we had any formal arrangements to do research for us other than our own staff work.

Q Who on your staff did that kind of research?

A Well, I did, a fellow named Rafael Flores, who was a small consultant to us helped us out with film, research activities, and he had two or three people working with him on that from time to time, and I don't know who they are because I never saw them.

Q What did Dan Kuykendall do for you between the time that the $40 million was released and June of 1987?

A He worked with me frankly as an information source. He has worked with me almost every day of my life since I first engaged him in either July or August of 1986.

We have worked together--I call him three to four times a day, see him three or four times a week, and I regard his views very, very highly.

Q Do you recall a luncheon in late May or early June of 1987 with Dan Kuykendall and Mrs. Kuykendall, Kris

Littledale and yourself and perhaps others?

A We have had three luncheons this week.

Q I am talking about in May 1987, when Kris Littledale was present?

A You will have to give me a lot more information than that. I have had him and his wife out to lunch several times.

Q Do you recall a luncheon which Kuykendall arranged with you and Kris Littledale when you indicated to Kris Littledale that you owed him a debt?

MS. MORRISON: Is this related to Nicaragua?

MR. OLIVER: This is related to this investigation.

MS. MORRISON: We are talking about a time frame--even though we are out of the clearly relevant time frame, I have no idea what this discussion about lunch is related to.

MR. OLIVER: I am asking if he remembers it.

THE WITNESS: I don't remember precisely. We interacted so much that you are going to have to help me more than that.

BY MR. OLIVER:

Q Well, do you recall thanking Kris Littledale for something he had done for you in late May of 1987 related to this investigation?

A I guess that is when I made my plea or something.

I don't know. I thanked everybody for being so supportive. I am sorry. I am not picking up on that.

. Q You referred a few moments ago to Dan Conrad's ''to do'' list which I believe you were provided copies of on a regular basis.

. A No. I was provided copies for a long time and then I think in June or July of 1986 I stopped getting them for about four or five months.

. Q Why?

. A He felt that I was not interested in what he was planning.

. Q Were you telling him what to put on that ''to do'' list?

. A I had worked with him a lot on the subjects and he was to develop the programs, see people. I talked about programs and the goals of those programs and why we needed to do those programs and he was as an administrator to help put them all together and go with them.

. Q Do you recall telling him to get some information for you about how to establish an international foundation?

. A Oh, we had discussed that for a year. Oh, yes.

. Q Do you recall a discussion about getting some advice from Roy Gotson about setting up an international foundation?

Godson? →

. A I don't recall that that is--I never heard Roy

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Gotson talk ever. But--I didn't know that he was in that business either. No.

. Q Do you recall asking Colonel North to discuss, get some information for you about how to set up an international foundation?

. A No.

. Q Do you recall a reference on Dan Conrad's ''to do'' list that remained there for a period of time, a reference--

. A That was one of the problems. They just remained there.

. Q About Ollie's 400-k?

. A I remember that.

. Q Do you know what that was, what that referred to?

. A Yes.

. Q What was it?

. A That was--we had several programs that we were working on and someplace in the files I found out that that was either talking about a series of--I think that was a series of motion pictures we were going to make or some project like that, and that Ollie was going to be involved in narrating it. And I think it was my initial budget for that--we thought we could do it with $400,000.

. Someplace in our files somewhere that has been explained. I don't know where it is.

. Q Do you know why it would be referred to as Ollie's

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400-K?

. A Yes, because he was going to be the star of the movie. We had met with Goodman and asked him if he could help us do terrorism films to discuss terrorism in the United States and all over the world, and we decided that we would go to Ollie and ask if he could even narrate it.

. We thought we might even do two.

. Q That is what Ollie's 400-K referred to, that film?

. A Films, I think we were going to use Western Goals as the funding source. Someplace in our files there were three figures one day and I was asked about this and we researched it.

. One of them was for elections, it was a budget-type thing. One was what I hoped to raise for elections. One was for these television films, one amount for conferences and I think there was one more amount.

. I am sorry. I think we are--

. Q You had several large contributors who collectively were responsible for more than half the funds that were raised for your organizations, and I am referring specifically to Mrs. Newington, Mrs. Garwood, May King, Fred Sacher, Bunker Hunt, the Warms, Mr. O'Neil, Mr. O'Boyle, Mr. Brandon, Mr. Driscoll, and Mr. Hooper.

. I think that ~~that~~ they would probably be the largest contributors. They first contributed to your organization

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through NEPL; is that correct?

A No.

Q What did they first contribute to?

A Well, some of these people had given to our political activities before. I knew over half those people from my previous experiences at NCPAC.

Q It is your recollection that their first contributions came to your Federal PAC?

A Some of those people I said did give to our Federal PACs.

Q Do you remember which ones?

A No. A lot of the people gave to the Nicaraguan Refugee Dinner for the first time. Some of them gave to--

Q You mean the Nicaragua Refugee Fund Dinner in 1985?

A That is right.

Q That wasn't one of your organizations?

A No. Some people gave to NEPL in order for us to give a grant to the Nicaraguan organization. Some had clients that ended up giving to NEPL.

Q Subsequently after the establishment of NEPL and PAC, you established Sentinel?

A Yes.

Q And some of these people gave contributions to Sentinel?

A Yes. We never had many contributions to Sentinel.

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. Q Subsequently you set up ATAC?

. A Yes.

. Q And some of these contributors gave money to ATAC?

A That is right, although we sent out hundreds of letters to lots of people over the United States to try to get money.

. MR. OLIVER: I would like to have the reporter mark this as Channell Exhibit No. 51.

. [Exhibit No. 51 was marked for identification.]

. BY MR. OLIVER:

. Q I ask you to examine this document. That is a memo dated December 2, 1986 to Cliff/Spitz from Steve, re: Goodman/RAM Films Balance Due.''

. Q Do you remember receiving this memo, Mr. Channell?

. A No.

. Q Do you remember the subject that was discussed in this memorandum?

. A I don't remember receiving this. This would probably be worked out with Cliff, because he was working directly with paying the PAC bills.

. Q The second paragraph says, ''We were also told to hold off on sending the initial money to Goodman and RAM until enough funds had been 'created' in the Federal account. I believe this was accomplished via contributions from Spitz, Eric, and ATAC FED (5,000 each).''

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. Did you create enough money in the Federal account through contributions from yourself, Eric, and ATAC FED?

. A Well, I guess we did. We ended up paying the bills.

. Q The next paragraph says, ''At this point in time, the Federal monies were used to purchase critical time buys, not production costs.''

. Is that your recollection, that this money was contributed to your Federal account to purchase critical time buys?

. A All the money that we tried to raise was for the entire Federal political project, production costs, time buys, the same deal.

. Q Did there come a time when you and Eric Olson contributed $5,000 each at approximately the same time--

. A I don't know if it was the same time.

. Q Into the Federal account?

. A I don't know if it was at the same time.

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. Q Do you remember asking Eric Olson to contribute $5,000 to your Federal PAC?

. A Sure. to as many as he could actually.

. Q How many did he contribute to?

. A Just one.

. Q Was that contribution in connection with a critical time buy for your television ads?

. A This contribution would have been to help us with all of our Federal activities, whatever we were doing.

. Q It is your testimony that it was not in connection with the critical time buy at the time it was given?

. A I don't have any comment on that. I mean this is their wording, so I assume this contribution was a month or two months before this. I think it would have had to have been. I don't really know what the relevance is about this, frankly.

. I am sorry I am unable to connect this with--

. Q Well, the relevance, Mr. Channell, is that these time buys were connected with the Central American Freedom Program designed to influence the vote of the Congress?

. A No, they weren't at all. The Central American Freedom Program had ended the 27th of June, when the bill was passed. We got a 12-2 memo.

. Q Well, this is considerably after these--

. A There were no Central American--

. Q --television ads.

. A There were no Central American ads on during any political campaign, so I don't really know why we are doing this frankly.

. Q Well, when did you run your last television commercials connected with the Central American Freedom Program?

. A It should have been the day before the vote occurred, which would have been the 26th of June--the 25th--I wasn't in the United States the two weeks before the vote occurred. But it had to be the last three or four days of June.

. Q But you also ran a number of ads before the first vote, which occurred in--

. A March.

. Q In March 1986. Do you recall a concerted effort by you and your staff to raise funds for those ads to be run prior to the vote in March of 1986?

. A We started raising money for the ads in December of 1985. We had started our testing program of television even before that. And we were putting together educational ads, frankly, as soon as we could get the money, beginning in December of 1985.

. Q When did you first run the ads?

. A I think we finally got them started in February or March, a whole series of them, of 1986.

. Q Then you ran those ads in order to influence the vote on freedom fighter aid to the contras?

. A No. We had an organization to do that. we ran these ads to make people aware of the issue of Central America.

. Q You ran them in selected congressional districts;

is that correct?

A Every part of the United States is part of a congressional district. We ran them in places where our contributors had given money. We ran them in the South and Southwest. We ran them in Washington, D.C. A few we were able to run in the North, where we had the money.

Q Is it your testimony that these were not run in selected congressional districts?

A They were run in media markets which involved congressional districts, of course, and they overlapped.

Q What did Eric Olson do for your organizations?

MS. MORRISON: I think we have talked about this subject area before, Mr. Oliver. It is really something that has to do with the Administration of the organizations that Mr. Channell had. It has nothing to do with Nicaragua.

MR. OLIVER: I think we have already established that Mr. Olson contributed the maximum amount of money allowed by law to the Federal PAC, which was used to run ads in the Central American Freedom Program.

THE WITNESS: No, it was not.

BY MR. OLIVER:

Q The American Conservative Trust was not used to run ads connected with the Central American program?

A Not that year at all, no.

Q In 1986?

. A No. In 198--well, I don't think it ever did, as a matter of fact. I don't know why we remain confused about this.

. Q Well, I think we remain confused about it, Mr. Channell, because the ads that were run by the Goodman agency directly related to Nicaragua just prior to the votes in 1986, were attributed to the American Conservative Trust.

. A I know. As I said, we discussed this last time I was here. That was part of a billing problem. We got them paid correctly. Their files were screwed up in who they were billing.

. We paid them correctly, which they eventually after many months of not realizing that they had screwed up on the files, also said we had paid them correctly.

. Q Did you review the ads before they were run?

. A In most cases. Some of the ads--I reviewed the prototypes. When I was gone in June of 1986, some of the ads that were produced after a prototype I never saw, but I had approved the prototypes.

. Q Do you recall the credit line on those ads being the American Conservative Trust?

. A Well, we ran a variety of ads. The ones in June were from Sentinel. The ones in the spring were from Sentinel that were lobbying ads and the ones that were education that were information ads were NEPL.

. Those were the ones that I approved. He, I think on two different occasions, made ads with the wrong credit line on them, but he also corrected them.

. Q You say he corrected them?

. A Yes. The same ad was then made with the right credit line on it. As I said, he was confused about the billing even in December of 1986. I don't think he was confused; his bookkeepers were confused.

. MR. OLIVER: Why don't we take a five-minute break.

. [Brief recess.]

. MR. OLIVER: Back on the record.

. BY MR. OLIVER:

. Q Mr. Channell, we were talking about the American Conservative Trust. During the last session of this deposition in the exhibit which Mr. Fryman put in the record, there was a document entitled the American Conservative Trust Freedom Fighters TV National Spot Program.

. We discussed that document, and I would like to ask you to look at that document again, if you will, and see if that refreshes your recollection as to what the purpose of the American Conservative Trust television ad program in 1986 was.

. Does that refresh your memory as to what the purpose of the American Conservative Trust television ad program in 1986 was?

. A There was an educational program sponsored by NEPL during this time period. There was no American Conservative Trust program at the time. They just made a mistake, and we--

. Q If you will continue to turn the pages there, I think you will see the story boards for those ads which are contained in that document, and I--

. A These were all mistakes up here saying who the client was. The client was actually NEPL, which they later realized.

. Q How much later did they realize that?

. A Well, they realized that in late 1986, but they were getting paid from NEPL all the time for NEPL activities, of which this was one. And whoever typed this out--

. Q Do you recall these ads being run?

. A I am sure some of them were run.

. Q Do you recall the credit line on those ads being the American Conservative Trust?

. A It should not have been. It ~~would~~ could not have been. It would have been NEPL. There is no political activity here in these ads. These ads are all information and education.

. Q Why did Adam Goodman prepare a document for the American Conservative Trust showing the story boards with all the credit lines for the American Conservative Trust?

. A Because he was confused.

. Q But you did not correct his confusion after seeing that proposal in early 1986?

. A Well, I think the ads--we corrected it, yes. The ad said NEPL. I don't know whether you have seen these ads or not, but I am sure they say NEPL. They are all educational and informational ads.

. Yes, they are.

. Q So it is your testimony that the ads that were run prior to the vote in 1986 were credited to the National Endowment for the Preservation of Liberty?

. A That is where they should be. I didn't see everywhere they were run. They were paid for by NEPL. This was a NEPL program, which the ads show.

. Q Was it designed to influence the vote of the Congress?

. A It was designed to inform the American people about this point of view at a time when interest in this issue was rising.

. Q Did you get an opinion from an attorney as to whether or not the National Endowment for the Preservation of Liberty collegially pay for these ads?

. MS. MORRISON: Mr. Oliver, I don't think we ought to be exploring these contacts. Those are privileged communications.

MR. OLIVER: If he wants to claim attorney-client privilege on that, he is free to do so.

MS. MORRISON: Or if his counsel wants to claim attorney-client privilege. I will do so.

MR. OLIVER: All right.

BY MR. OLIVER:

Q The document that we have been examining on the Robert Goodman Agency with the cover page, American Conservative Trust, Freedom Fighters program, national spot campaign.

On the first page, it reads, the purpose of this national television campaign is to reach those voters across the country whose incumbent Congressmen have shown, by their voting record, a lack of resolve and firm commitment on the issue of helping the contras in Nicaragua.

Specifically, a list of these Congressmen and their home television markets has been drafted on the basis of both their general voting record behavior and their position on three key votes on funding freedom fighters taken in the spring of 1985.

By design, this national television spot campaign will begin approximately six weeks before the first vote on contra funding is taken in Congress, perhaps by the latter part of March.

. And then it goes on to describe the size of the television buys and the gross rating points in each of the six weeks of this program. And then it says, ''With approximately 1200 gross rating points, voters in these targeted television markets would see ACT's freedom fighter spots an average of 12 times over the course of the 6-week campaign. This will ensure that the message gets through to the voters and ultimately to the affected Congressmen themselves.''

. Does that refresh your recollection about the purpose of this freedom fighters television campaign?

. A The purpose of our program was to build interest at a time when this issue was coming to the fore. We had an organization that we hoped we could use to affect the way Congressmen voted on this issue.

. We had--as you know, in our ads, we had no mention whatsoever of any bill, nor did we ask the people in these ads to do anything except to be informed. And this is all well within our IRS allowance to inform and educate the American people.

. When you make a television ad, the purpose in the ad is the one that ~~had~~ is going to have the impact, if any, and we had an organization called Sentinel where we were going to pointedly suggest that political action on a piece of legislation be taken either by Congressmen or citizens.

We ran these television ads, by the way, after the bill was defeated also. These ads did not stop just with the first defeat.

Q Did they stop with the second vote in June?

A They all stopped with the second vote, and then we produced one for election night.

Q For election night--which election?

A 1986. We had an informational ad on Nicaragua on election night.

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[11:15 p.m.]

Q Was that designed to influence the election?

A No, it came on after the polls were closed. It was because everybody was watching television, we thought, we hoped, actually. It came on at 9:00 o'clock.

Q So these ads on the freedom fighters were run during the period up until the final vote had been taken on aid to the contras with the exception of one ad run on election night; correct?

A Off and on, that would be correct.

Q They were run in congressional districts that were provided to you by Rich Miller, Dan Kuykendall, and Penn Kemble?

A Somewhere. Most were run where our contributor wanted to see the ads.

Q That would be Austin, Texas and Hartford-New Haven; correct?

A Also Miami.

Q That was for the benefit of Mrs. Julius Pierce in Miami and Mrs. Barbara Newington in Connecticut?

A Right.

Q And in Austin, Texas, Mrs. Garwood?

A That is right.

. Q But the others were run in targeted congressional districts that were based on the previous voting record of the Congressmen whose districts were affected by those media markets; correct?

. A Only partially correct. As I told you the other day, our decision to place the ads in the various media markets was based on a variety of information. The fact that these Congressmen had been undecided from time to time on the Central America issue was definitely why we put the ads on the air, but by a long shot not the only reason.

. As you will note, if you compare both the list of Congressmen who qualified for that, there were many of them where we did not place ads at all.

. Q Did ATAC run ads in Maryland in 1986, the subject of which was Nicaragua?

. A No.

. Q What ads did ATAC run in Maryland in 1986?

. MS. MORRISON: The last question appeared to be irrelevant.

. BY MR. OLIVER:

. Q Were the ads run in Maryland related to Linda Chavez in any way?

. MS. MORRISON: That is irrelevant.

. BY MR. OLIVER:

. Q Did Linda Chavez assist you with your briefs at the

White House in 1985 and 1986?

. A It was her office that gave our organization permission to have two briefings.

. Q Did Oliver North ever communicate to you a desire on the part of Linda Chavez to discontinue the ads that you were running in Maryland?

. MS. MORRISON: Same thing, it is irrelevant. The ads had nothing to do with Nicaragua.

. MR. OLIVER: I think Linda Chavez and Oliver North had lots to do with Nicaragua. Are you directing the witness not to answer the question?

. MS. MORRISON: Yes, insofar as it relates to ads that Mr. Channell had nothing to do with.

. BY MR. OLIVER:

. Q When did you first meet Linda Chavez?

. A I guess I met her in early 1986.

. Q What was the occasion of your meeting with Linda Chavez?

. A I was at some briefing at the White House.

. Q Did it relate to Nicaragua?

. A I don't remember that it did or didn't. She was in charge of Public Liaison at the White House. As I testified earlier, I was invited to at least five different types of briefings at the White House. I do recall seeing her at at least two Nicaragua briefings in Room 450 at some larger briefings. I don't know at which one, which one was the first one where I met her.

. Q Did she assist you with your briefings on Nicaragua for your contributors?

. A She may have introduced or welcomed us to the White House one or twice. That is all she would have ever done, as head of Public Liaison.

. Q Did you ever discuss with Linda Chavez her race for the Senate in Maryland in 1986?

. MS. MORRISON: Objection, irrelevant.

. MR. OLIVER: The relevance is that Linda Chavez was the Director of Public Liaison at the White House and facilitated the briefings for the contributors to Mr. Channell's organizations in 1986. I am trying to determine how that relationship related to moneys that were spent from those contributors, television ads related to Mrs. Chavez.

. MS. MORRISON: All of which has nothing to do with the contras.

. MR. OLIVER: I think the money that was raised after the White House briefings by the contributors who were briefed there related directly to Nicaragua. I Think that has been well established.

. MS. MORRISON: We have discussed those briefings in detail.

. MR. OLIVER: I am talking about the relevance of my question.

MS. MORRISON: Mr. Oliver, we don't see any relevance to what happened with respect to Mrs. Chavez unrelated to Nicaragua as being made relevant by the fact that she apparently appeared at a briefing or two to introduce the ultimate speaker on Nicaragua. It does not provide any relevance to subsequent contacts unrelated to Nicaragua that Mr. Channell may or may not have had with Mrs. Chavez or anybody else.

BY MR. OLIVER:

Q In 1985 and 1986, you were engaged in an effort to try to influence the congressional vote on Nicaragua; is that correct?

A From time to time.

Q Were you aware of the role that Congressman Mike Barnes played in the Congress that related to aid to the freedom fighters?

A Well, I had an image that he was a major spokesman against that effort. I don't know everything he did, but--

Q You knew that he was a central player in the effort to stop funding for the contras; is that correct?

A Well, he was a very vocal critic, one of many.

Q Did you know that he was Chairman of the Subcommittee on Latin America through which that legislation had to pass?

. A I thought it was another committee. I didn't know that was it. I thought it was the committee on the Western Hemisphere or something.

. Q Well, that is the same thing, basically.

. A I really wasn't. It is the same thing?

. Q Yes. They change the names of these subcommittees from time to time and Congress to Congress, but you were aware that he was the chairman of a subcommittee that dealt with contra funding?

. A I am not sure I was aware that he was a chairman, but I knew he was an important member on a committee that was dealing with Latin America and possibly contra funding, yes.

. Q Was he the central focus of the ads that were run in the Washington, D.C. media market prior to the votes in 1986?

. A No. Everything that we ran in Washington had--Washington, as you know, is the political center of the United States and all of the political press sits here and the political bureaucracy sits here, the President of the United States sits here. Our goal in putting on ads anytime in Washington, D.C. is to affect and impress and to inform and to become known to all of those groups.

. Q When we did our Sentinel ads focusing on Congressmen, one of the media markets was Washington, D.C.

because Mike Barnes' congressional district is reached by Washington, D.C media. So it would have been natural as one of the people we did Sentinel work on that we would have to put our ads in Washington to reach Mike Barnes' congressional district.

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. Q Was the purpose of those ads to reach Mike Barnes' congressional district?

. A The Sentinel ads were to reach Mike Barnes as well as again always in Washington we want to show everybody involved in politics what we were doing. It is a universal desire. everybody tries to do it. That is why last year, a week before the freedom fighter vote, there were eight different groups running ads in Washington, D.C., the largest number of groups running ads anywhere in the United States. They were all being run in Washington, D.C. It is not a secret why you run the ads in Washington.

. Q Was Mike Barnes the central focus of why you ran the ads in Washington, D.C.?

. A The Sentinel ad was, of course, directly relevant to him. Our Sentinel ads called on him to reconsider his vote and support the President's legislation.

. Q Did he do that?

. A No, regrettably, he did not.

. Q Did you run television ads in Maryland in 1986, th purpose of which was to have an impact on the Mike Barnes Senate race?

. MS. MORRISON: Objection, for all the issues stated.

. MR. OLIVER: I think we have already established that Mike Barnes was the object of television ads put on in his district by Mr. Channell. We have already established that he was a central figure in the Congress on aid to the contras. I think that the question is quite relevant.

. MS. MORRISON: We disagree. The political issues that may or may not have been involved did not relate to the contra funding.

. MR. OLIVER: Counsel, if there was an effort by Mr. Channell to make an example of Mr. Barnes by causing his defeat because he was an opponent of freedom fighter aid, I think it is quite relevant to this investigation.

. MS. MORRISON: It doesn't have anything to do with contra aid.

. MR. OLIVER: I think Mike Barnes had a lot to do with contra aid. that is well established.

. MS. MORRISON: Why someone chose to support or not support him in a political election which had nothing to do with freedom fighter aid does not come within the scope of this investigation.

MR. OLIVER: I think that trying to expend money contributed by individuals who were briefed at the White House at the request of Mr. Channell's organization, and who contributed money to assist the contras, both for weapons and to influence the vote and in Congress, that those individuals were also asked to contribute money to defeat Mike Barnes because of his opposition to contra aid I think that is perfectly relevant to this investigation.

MS. MORRISON: We disagree. Why someone chooses to support or not support a political candidate is not relevant to contra aid and how Mr. Channell was involved in assisting the contras.

MR. OLIVER: It is relevant if the purpose of the expenditures was because of the Congressman's opposition to freedom fighter aid.

MS. MORRISON: We disagree.

MR. OLIVER: Are you directing the witness not to answer?

MS. MORRISON: I am.

MR. OLIVER: I will ask the questions on the record and you may direct the witness not to answer, but I would like to lay what I believe is a foundation for the relevance of Mike Barnes to this investigation.

BY MR. OLIVER:

Q Mr. Channell, did the subcontractors referred to

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earlier in your letter to Mr. Miller conduct activities on your behalf designed to influence he vote in Congress?

. A Will you restate that?

. Q Were the subcontractors that you referred to in the earlier letter to Mr. Miller, specifically Mr. Lichtenstein, Mrs. Fraser, Mr. Kemble, Mr. Cameron, and Mr. Kuykendall, were their activities carried out on your behalf designed to influence the vote in Congress in 1986 on aid to the freedom fighters?

. A Some of those people, all of those people at one time worked on the information program. Later on, some of those people worked on a lobbying program. So we would have to take each one of them, I think.

. Q My question is whether or not their activities on your behalf were designed to influence the vote in Congress?

. A If they were working with Sentinel of course, and if they were working with the NEPL information ads, they were working on an information program.

. Q Was Jack Lichtenstein paid by Sentinel?

. A I don't know.

. Q Were Jack Lictenstein's activities on your behalf designed to influence the vote in the Congress?

. A He had a program to get people to write their Congressmen on the issue of Nicaragua and to support the President on Nicaragua. I don't know exactly how many

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letters or I cannot remember exactly what the letters said. I know that we had hired him to make an impact to tell the Congressman what people felt, but I don't know whether that was saying to vote for an issue or to support the President.

I can't exactly remember how the letters were written.

Q In the exhibit entered by Mr. Fryman at an earlier time, there is a memorandum to you from Jack Lichtenstein, the subject of which is congressional surveys on contra aid vote, dated May 3, 1986. I will ask you to examine that letter.

A I requested that.

Q Will you tell me whether or not that refreshes your recollection as to whether or not Mr. Lichtenstein's activities were designed to influence the vote on contra aid in the Congress.

A This would indicate, again I don't know exactly what letters he is referring to, that some of these people were trying to support the President's view.

AS I say, I would need to see the letters. I don't remember whether NEPL paid him or Sentinel paid him.

Q Were the ads that were paid for by PRODEMCA through a grant from your organization designed to influence the contra vote in the Congress?

A I can't remember what that ad said. The one thing

I can remember is that Mr. Kemble wanted to publish his group's view on the freedom fighter aid discussion. He wanted to get this out.

. You would have to ask him whether he felt that that was going to. I don't recall frankly that he mentioned in the ad the Congressmen. You would have to ask him. I don't think that is what it was for.

. Our support was based upon the fact that they wanted to come out and say they supported the President and this was very unusual for them.

. I don't know the total history of the group either, but there were lots of people who had never spoken before on this issue and they wanted to speak to this issue of the President's position on Nicaragua.

. I am sorry, I cannot remember. It was a very long ad, and I can't remember exactly what it said.

. Q Do you remember the ad being run the day of or the day before the vote on contra aid?

. A I don't remember when it was run. I thought it was actually run much earlier than that, but--I don't recall that. I remember Mr. Kemble talking about all the people who were going to see this message. That was a very important thing to him, to have all these people sign the message.

. Q Why would you give him a grant to convey this message through a television ad? Why didn't you just do it yourself?

A I am sorry, you will have to ask that again. I didn't get what you said.

Q Why would you give Mr. Kemble money to run television ads to convey this? Why wouldn't you do it yourself?

A He didn't run television ads.

Q Newspaper ads.

A He represented part of what I was hoping would become, a bipartisan support for the President, on these issues. He obviously represented a group of people who had heretofore not made themselves known on this issue.

Again, I don't follow what his group does, but they certainly were not people that I was dealing with or had the opportunity to meet.

By publishing his ads, we were continuing to broaden the base of support for the President. I do believe that many of the people who worked with him are Democrats and that would indeed help us broaden the base of support.

MR. OLIVER: We have a select committee meeting in 15 minutes. I don't think there is any need to ask any further questions and I don't have any further questions.

Mr. Buck, if you can finish your questions in 10 or 15 minutes, we can proceed now.

MR. BUCK: Off the record.

[Discussion off the record.]

MR. BUCK: On the record.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BUCK:

Q Mr. Channell, I have a transcript of an interview between Ted Koppel and Jane McLaughlin and I want to ask your opinion on it.

''Koppel: Miss McLaughlin, which came first, the chicken or the egg? Did the White House come to Carl Channell and say, 'We are in deep trouble here, we need money to be raised,' or did Channell go to the White House and said, 'Hey, we are in trouble; you can raise money?'''

She answered: ''I don't know which came first. I joined the organization in 1986.''

Can you tell me which came first?

A Neither.

Q Why don't you explain that.

A Very quickly, I called the White House in March of 1985 and asked the only person I knew at the White House, his assistant in the political department, if there was anything that my little new organization could do to help the President on the issue with the freedom fighters in Nicaragua.

We never mentioned money because I had no idea what, if anything, could be done or if the White House was welcoming the support or if the White House cared about me or wanted any group outside the White House to do anything at all.

I was totally ignorant of what the White House strategy and goals were. I called simply to find out if they were going to need support, what type of support that might be.

So there was no chicken or egg. We were discussing vegetables.

Q Is it fair to say that you made the first contact offering your services and the relationship built from there?

A Yes.

Q Grew, if I may say so?

A Yes.

Q You mentioned before that, before today, that eight groups were running ads in Washington, D.C. before the contra vote. Were all those groups in favor of aid to the contras?

A Yes. There may have been many more around the country, but I would not have known.

Q Could you briefly explain your knowledge of the groups in the country that were running ads or were raising funds to support the Sandinista Government or Communist rebels in Central America?

. A I truly don't recall the names of these groups. I really haven't looked at this for six or eight months. I read our report once which listed a lot of them, but I have not even figured out whether the groups that I have read about that were doing certain lobbying were involved in the television ads. I would have to go back and check that and check with some other people to find out which groups were doing this.

. Q You were aware of groups that were raising funds in opposition to the efforts you were raising funds for, were you not?

. A On a general-purpose theme, absolutely, sure.

. Q Would you say that Colonel North's role in your fund-raising scheme was one of informed, informer or a solicitor or something else?

. A Well, Colonel North, of course, led some of the briefings. He did inform people of what was going on far beyond my knowledge, of course. He discussed with various contributors the needs of the freedom fighters. In some respects, I didn't know about these needs until we had met with him. So he had multiple roles in which he acted.

. Q Could you briefly list those multiple roles?

. A Well, he also acted as a spokesman for the White House's temperament, on what the White House felt about what the Communists were doing in Central America. That would cover at least three major approaches that he would have.

He may have done something else with others because, as we all know, he said that he briefed 100-some groups last year. He met with our group just three times and met with our people only eight or ten times privately.

So we have 100-some other meetings where he briefed. So I don't know what else he did.

Q In your scheme of things, was he a fund-raiser?

A To the degree that the President of the United States is an inspiration, he indeed was an inspiration. You are asking a question that really requires either an extremely specific answer, ''Yes, this is how he raised the money,'' or a very general answer about how he used his role to encourage us, to encourage me to continue to work, to encourage our people, to continue to have confidence in what we were doing and, therefore, give money.

That is just a very difficult question. As he did say on innumerable occasions to at least six or eight contributors, ''As you know, I cannot ask for money.'' At the end of several meetings when he would leave, he would say, ''As you know, I cannot ask you for money.''

Q As a fundraiser, Mr. Channell, how do you measure success?

A Terry Dolan once said to me, ''Spitz, you are as good as your last fund-raising success and that better have been 10 minutes ago.''

That is one criterion, of course. A general who has not won any battles is not considered a very good general.

In the fund-raising profession, you have to create a program that will, through your efforts, create interest and a mechanism where this interest can result in at least ongoing support for the project you wish to realize.

I have felt that the support for certain issues requires the raising of a certain amount of money if the program is large enough and if I come close to raising that amount of money in support of a program which I have conceived which will help--recently we have supported programs that the President has been very vocal about supporting, if we are able to help him with his policies in a way that he is very proud of what we have done, I have considered that a success.

In some instances, we have been able to raise $80,000 to $100,000 for 2 or 3 targeted messages in support of what he has done. that is not much money, but that was our goal and we have executed that with the type of excellence that I felt is worthy of these peoples' contributions. I consider that a success.

On the other hand, I believe that an effort like the freedom fighter educational television messages required expenditures of over $70 million a year to educate the American people. We did not touch the surface of that in our short program.

So what we did was to some degree successful, but the need to educate the American people about what communism is doing in Latin America and what its goals are regarding us requires a vast amount of money that I have not been able to begun to raise.

Q Generically, for fund-raising organizations, what is the bottom line measure of success?

A The reason why I hesitate in answering that is because so many fund-raising aspects of organizations allow failure to be acceptable.

As you know, none of my organizations have ever gone into debt. We have told people that we would not go into debt under any circumstances. If the support for our efforts was not there, we would not go into debt. That is one of my measures of success.

People can go out to certain direct-mail firms and borrow millions of dollars and get letters and get $50,000 back and call it a success. I do not.

Raising enough money to make the sources feel that they have had some type of impact on their goal is probably the measure of success.

I am not trying to be obtuse about this. I am saying I don't have all the fund-raisers of the United States behind me to answer that question. But I can only tell you about my own organizations.

Q Did you hire Mr. Conrad for his knowledge of the politics surrounding the issues that you were concerned about?

A No.

Q Did you hire him for his fund-raising knowledge?

A I hired him for what we call institutional and administrative fund-raising abilities; that is an aspect of fund-raising I feel I have no expertise ~~on~~ about at all and I desperately needed to learn.

As you know, he has worked just with institutions in fund-raising whereas I have never worked with an institution.

Q Did you make elaborate efforts to conceal your fund-raising activities?

A No. Every time I have ever done something in my organizations, I have as many press conferences as I was allowed to have. The press, of course, never showed up.

I have mailed the results of our programs and any letter the President of the United States has been kind enough to send me, mailed to thousands of people and told them of the success we have been making on particular projects.

The act of concealment has frankly not entered my mind.

Q It seems to me that is a contradiction in terms to be able to conceal the activities. Isn't it the point of the fund-raising activities to publicize?

A That is one purpose, yes. Let's say you were going to raise money to buy Harvard University a new medical building and you have ten people you are going to see. The purpose of that is not to publicize. It is simply to find the right people and go talk to them.

When you have a public education campaign the idea is to get more and more people informed and enthusiastic and maybe they will help.

There are varieties of purposes. Almost every political organization I know of in Washington has at one time or another had a fund-raising project to build a building. But that is not a nationally recognized issue. They normally go to their top donors and have a dinner and ask for major capital donation. That is not publicized, but it is an important fund-raising activity.

Q In the media there were some reports that there were sinister motives behind the Toys account. Would you explain the ambiguity of the stakes that surrounded the Toys account?

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. A The Toys account, which ~~has~~ was inaccurately labeled, the Toys was not an account, it was a ledger, inaccurately placed some contributions under its heading, was considered by some members of our staff as to be an exciting, romantic, secret account just for military hardware.

. The origin of this account is one where I was trying to raise a certain amount of money specifically for Adolfo Calero's refugee families. We were trying to segregate all that money for him in one place, not to be mixed in any other part of our foundation activities.

. After that fund-raising event passed, I then decided I would use that ledger for other special projects where I did not want general contributions to NEPL commingled with these special projects.

. It did not work out that way. That was the real idea. There were some fund-raisers who thought this was a very exciting ledger entry and made up incredible tales about it.

. Q Did Colonel North ask you to refer to him as Green?

. A No.

. Q By referring to Colonel North as Green, who were you trying to hid his name from, if you were?

. A I was not trying to hide his name. I never instructed my staff to hide his name from anybody. We were introduced to him in conversation long before we met him as Green. I think there were other nicknames that people had

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for him.

. Nicknames were picked up by people. That was part of the excitement of our people calling him Green. In some letters received from contributors, he was referred to as Colonel North and Green and our special person or whatever. It was never sinister. It was for a lot of people just fun and part of the hype of this issue.

. Q Similar to the Toys account again?

. A Not nearly as premeditated. To this day, I have no idea why he was nicknamed Green. I have never been told. I thought it was sort of crazy to begin with so I never asked.

. Q Did you send money to IBC, Incorporated, I mean NEPL and your organizations, so that the money could not be traced?

. A No. We had planned to have a report from IBC at the end of 1986 encompassing our activities in late 1985 and 1986 where all of the money was to be laid out and what it went to. I was unaware that some of this money was going to secret accounts, for instance, in Switzerland. I did not know that. Only after this crisis developed was I informed that when I got our report at the end of the year I would notice that some of this money went out of the country to accounts in Switzerland which I had never been told of before.

. Q You mentioned earlier that you had talked with Mr.

Dolan about having NCPAC personalized around an individual as a fund-raising technique or something to do with a fund-raising organization. I am wondering whether you considered personalizing NEPL around an individual and if so, what individual and why?

A I really had not thought about that.

Q How about the Central American Freedom program?

A No.

Q What was the purpose of receiving a letter from Adolfo Calero recognizing your organization or a letter from Oliver North or a letter from Ronald Reagan thanking your organization for its efforts?

A Just that. When we received these appreciations, we would send them on immediately to all of the people who had been helpful. I have always believed that one of the major problems with fund-raising in the United States is that someone will receive a grant from somebody and immediately forget them and say, ''We have gotten money from that person, let's go on to the next person.'' I have never believed in that.

So I have been meticulous in soliciting thank-you letters from everyone who has been affected by any work we have ever done so you will see in our files a large number of thank-you letters from persons and organizations who we have had the ability to help.

. Q So sending those letters on to your contributors is a way for you to show your appreciation and the other individual's appreciation and not a way to solicit more funds in the future from those individuals?

. A No. The letters were to show the people how much we appreciated what they had just done.

. Q What was the purpose of the White House briefings that were held?

. A Well, we wanted to inform our contributors at the highest level possible, highest level meaning most important, and the White House was conducting these briefings so we tried to plug into that and be allowed to bring our organization in to be briefed as they were briefing everybody else in America who asked.

. Q This was my next question. I was wondering whether your groups were unique in receiving White House briefings.

. Q No. I know Oliver North told me twice he was briefing the ~~National Conservative Policy Group~~ Council on National Policy, a very conservative organization, and he briefed the Women of the Methodist Church and then he went on to brief 112 groups that year.

I don't know even 12. They might be at the opposite end of the ideological spectrum.

. Q What was the purpose of the briefing with Colonel North?

. A The people would want to know various aspects of the freedom fighter aspects in Nicaragua that he would not cover in public briefings.

. Normally, in fact almost all the time, the public briefings were at a time when he was hemmed in with other meetings and he would come in and have the public briefings and then just disappear. So there was not much time to ask individual questions or develop much interest in any aspects of this issue.

. So what I tried to do if we could was from time to time schedule a private meeting with these people so they could be informed much more about what was going on if possible.

. Q What was the purpose of the private meetings with President Reagan?

. A The President took the opportunity to thank--I assume you mean, with my contributors.

. Q Yes, I did.

. A Because I never had a private meeting with him. It was to thank these people for their support, both of him in general and sometimes specifically for the freedom fighter move. That is what I have been told by people who did get a chance to have a private meeting.

. Q How did the President become aware that these individuals were supporting the President or the freedom fighter program?

A It is my understanding that David Fischer would write some sort of memo briefing the people at the White House, whoever he had to inform, about the activities and the ~~congressional~~ long term support of these people for Ronald Reagan and that memo would be passed to whatever authorities needed to see it.

On six or eight occasions, Mr. Fischer asked me such questions as how long have these people been supporting President Reagan, did they support him when he was governor, did they support him in his '76 race for President, his '84 race for President, have they contributed to any organizations which he has asked for money from.

It was an entire range of pro-Reagan activities, including ours. I don't know of anybody who was thanked by the President solely because of a single act that person had done on our behalf.

Q In any conversations that you have with the President, and I believe you had at least one.

A He called me. The only time I talked with him alone was when he called me.

Q Did you ever mention you were raising funds to purchase weapons for the contras?

A No.

Q What was the purpose of having a list of big-ticket items or mentioning big-ticket items to contributors?

. A Well, the two times that this was used by Colonel North, I guess was to make sure that he remembered what he wanted to say and also to be able to break down the total amount of the budget for people. I never had a list.

. Q Did you discuss big-ticket items with Colonel North?

. Q No. Dan Conrad is the only person who did that. I don't think he often did either. I think what he asked Colonel North to do when we went to Texas was to create a budget of $5 million and I don't think Dan Conrad talked to Colonel North about what would be.

. A I think he simply suggested when he went to Texas he take with him the $5 million budget.

. Q Is there a fund-raising purpose behind asking a contributor for a specific item.

. A Yes. Many contributors like to give something that is unique or special or something that they can look at and say, at least in their hearts, I gave this. It is part of human nature. Therefore, you will see names of people on hospital buildings, brass ~~plaks~~ plaques on dialysis machines. etc.

. Almost every government building in the city is named for a person. It is part of our particular psychology as a people. It doesn't occur very often in Europe.

. Q The individual you are raising money from, was there a fund-raising purpose of discussing weapons with these people rather than humanitarian aid or foods?

A We discussed all these things from time to time.

Q Was there a specific purpose for including weapons in those discussions?

A Some of these people were very interested in the hardware component of aid to the freedom fighters, definitely.

Q In your opinion, would some people not have given money for humanitarian aid but only for weapons?

A I truly don't know. The reason why I am hesitant to make a decisive answer on that is because these people gave in general because they supported Ronald Reagan's effort, tremendously, to stop communism in Latin America.

If the question were put: ''If you can't give to weaponry for Ronald Reagan's goals, would you give humanitarian aid for Ronald Reagan's goals?'' I think they would have said yes, because I think they all did. They were really supporting President Reagan's policies.

This is what brought them together to begin with. They were all very strong supporters of the President.

Q Did you tell any contributors that if they gave a large contribution to any of your organizations they could meet with the President?

A No. What I did say to Bill O'Boyle was that if he was able to give more money that we would request that he be able to be thanked by the President of the United States in the future. We had several potential thank-you minutes, if you want to call them that, which the President turned down.

I had no idea how these things were arranged, the mechanism of it, so I ~~don't~~ didn't know at one time or another whether we would ever get anybody else to see the President.

If you would promise that, that would be a very dangerous thing to do because you were not in control and it was totally unreliable.

Q Did you ever tell Mr. O'Boyle that he had to contribute money for weapons in order to meet the President?

A No.

Q Did you ever tell any contributor that?

A No.

Q In your mind, was there ever a relationship between how much a contributor gave to you and their opportunity to meet with the President?

A We have discussed previously that some people gave well under $100,000 and were thanked by the President. Some people gave well over $1 million and were thanked by the President. So it is a whole range. I would like to have had all my contributors ~~to be~~ thanked by the President.

Q Why is that?

A Because they have helped his polic~~y~~ies become a success and his policy is very good for the future in this country in trying to stop the growth of communism in Latin America. Many people sacrificed to give money ~~and~~ but could not give very much.

One of the reasons why our group meeting with the White House was so important was because I could invite many people ~~in~~ to that meeting who could probably not see the President under other circumstances because they could not give very much. We had several people who were not able to give large amounts of money, but who had sacrificed tremendously for the President. I was delighted that we were able to have them there also.

Q Is it fair to say that in your opinion no one at the White House was under the impression that individuals had to give you a certain amount of money before you would request an opportunity for them to meet with the President?

A Since I didn't have anything to do with the request, I don't know what occurred. Sorry, I had nothing to do with that. I was never in the White House when any of these meetings took place.

Q What was your reason for hiring IBC?

A I was told by my friend at the White House that this company was the in-depth expert in the field of the Nicaragua issue and if I really wanted to learn about this issue, I should go and talk with these people, and ~~they were~~ he was right.

. Q I would like to talk to you a little bit about division of responsibilities within your organization. I think I have studied your organization for a few months now and I can't figure out what all the jobs these people did. I guess you can understand that.

. A Actually, I can't, but we will solve that.

. Q First of all, what was your job?

. A I was the head of the organization. I guided the policy, created the policy. I raised eight of every ten dollars. I was in charge of frankly creating the programs, moving the programs as far as raising the funds for them. That is all that I did. I had Dan Conrad hired as the administrator to hire and fire everybody, to govern the administrative activities of all our organizations and support staff.

. In fact, I was told by Dan Conrad many, many times, ''Please stay out of all the administration. I am in charge of all of it.''

. Q Mr. Miller?

. A He was just a consultant, a hired consultant.

. Q What sort of responsibilities did he have as a consultant? What areas?

. A As a program consultant, I would create the concept, create the goal and when I dealt with him as a consultant, he would help me put together the guts.

intestines, the body of the program.

. Q In determining what you paid consultants, is it fair to say it was an arms' length business deal and there was nothing else involved in determining that amount of money?

. A We always asked them how much they charged for what we needed done.

. Q Did you always pay that price? Was negotiation involved?

. A Sometimes we negotiated and sometimes we paid more because the programs would grow. It is not at all unusual when you hire consultants that it is not so much that things may get out of hand, but the projects may grow tremendously and things may go up.

. Q Did you feel you got your moneys worth with Mr. Fischer and Mr. Artiano?

. A Well, I can't remember how much they received, but I do think that they were, at least Mr. Fischer was extremely helpful in a variety of ways with a variety of our programs. A lot of the money we paid him, of course, was beginning to invest in programs which have not been carried out which he did a great deal of ground work for which have been truncated.

. In that respect, he was doing his thing and we had to stop.

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. For instance, he was working almost daily on the creation of our Constitution project. It never got off the ground because we were stopped from doing it.

. We had begun to discuss the types of activities that he would be engaged in in January of 1986. That was something he was working on simultaneously with activity on Nicaragua. He worked on this actually off and on.

. I was talking to him every week about activities on the Constitution project for ten months and we never got to carry it out.

. Q Did you solicit money for NEPL by telling potential contributors that the money would be used to purchase weapons?

. A I was not involved in that. What I was involved with was fulfilling some of the goals that Colonel North had said these people needed. I mean Colonel North was the person who would lay out what the freedom fighters needed. I would say to them, do you want to help with this, we would like your help with this, we would like you to give as much as you can to this.

. Q My question was, was there a connection between the money they gave and what was ultimately purchased? Was there a representation as to that connection?

. A I think that in several cases--well, you see, we were discussing such a variety of needs. I am not exactly sure what is in the minds of the contributor because I don't have any letters or anything from contributors saying, ''We gave precisely to this.''

. Q But I am asking what you represented.

. A It was always a variety of things. We asked for a budget which would include a variety of things. Of course, nobody ever gave that amount either. So when they were thinking about what they were giving to, they obviously thought about things they decided not to give to. Sometimes contributors would say to me that they didn't care if it went to weapons or not or they hoped it would go to so-and-so and so-and so.

. So, then I, of course, would give the money to Rich Miller and we were going to find out later ~~on~~ in 1986 exactly what it went for.

. But we rarely, if ever, went to any contributor with a one-item deal (except food in July-October of 1986) and asked them to give just to that.

. Q In April 1986, you went to Ellen Garwood.

. A She came here.

. Q Right. You met Ellen Garwood and asked her to contribute money for weapons; is that true?

. A The list Colonel North had included weapons. I think it also included several hundred thousand dollars in food and supplies. It was a list of eight to ten items.

. Q You asked her to contribute money for what was on that list; is that correct?

A Whatever the total amount was, I asked her if she would give the total amount. And she did not.

Q Did you ever ask a contributor to donate money to your organizations for the purpose of purchasing military weapons?

A Some parts of those budgets would include military weapons. I thought you meant specifically one item. The list did include military hardware.

Q There were individuals other than Ellen Garwood who contributed money for weapons?

A Yes, hoping it would go to that.

Q Did you believe, did you have any basis to believe that their money would ultimately be used to purchase weapons?

A I did not know because I never had any feedback that it ever did happen.

Q Do you have any knowledge whether Colonel North knew NEPL was a tax-exempt organization?

A I am sure he had to.

Q How are you sure?

A To my knowledge, he saw our Central American freedom program, the documents we had, he spoke at our Central American Freedom Program briefings. We always had the blue document and in the blue document, it mentions that

NEPL is a 501(c)(3) organization.

. I don't know whether this is relevant or not, but it was revealed in the Tower Commission Report that he wanted to create an organization like NEPL and listed all the things he wanted that organization to do, which he specifically said was a tax-exempt organization.

. Q Was Colonel North ever present when you solicited money from an individual?

. A I don't recall that he was. He would always leave before I did that.

. Q Did Colonel North know what organization the money was being contributed to, which of your organizations the money was being contributed to?

. A I assume he did.

. Q What is the basis for that assumption?

. A We only dealt with him in regard to one organization.

. Q Which was?

. A NEPL, from beginning to end. He only spoke at NEPL events.

. Q Of your organizations?

. A Yes.

. Q Did Colonel North ever direct you to accept a contribution for a specific entity?

. A No.

. Q Did you ever direct Colonel North to purchase specific military equipment with any of the contributions?

. A No. I would like to add that I was totally unaware that Colonel North was doing that until after this crisis developed and I was informed that. I was told that when we got our annual report--again remember this crisis occurred in early December and I had planned throughout that year in the next year we would have a report to send to the whole world because we were so proud of what we had done.

. I was informed in late December or early January that when I got my report of where all the money had gone that there would be a statement in that report saying that Rich Miller had been directed by Colonel North to send a lot of this money to places listed below. That was the first time I even knew that that relationship was going on.

. So when you ask me did I direct Colonel North to spend the money for something, I was never aware that he was.

. Q And you never knew that military items were being purchased with this money?

. A I never had any proof of it. Adolfo Calero had said to at least two of our meetings, when you give money for humanitarian aid, that releases money that we have to spend on weapons. Several people mentioned this to me. They said, well, we are giving aid, so he will have the money from other places to buy weapons, so it is the equivalent of helping them with weapons.

Since I had no proof that any of our money was spent on money and since Adolfo made this statement several times to our people, I thought this money was going to supplant other money.

I was unaware that Colonel North did have an immediate, direct relationship with our checks to IBC that I later came to be informed of.

. Q Were you planning to send the report Rich Miller was going to provide to Ellen Garwood?

. A Everybody on earth. We were going to have a big press meeting in January.

. Q This is contributors?

. A Oh, yes.

. Q Did you feel they would be disappointed in learning their money was not going to be used to purchase weapons?

. A No.

. Q Why

. A I thought when the report came out part of the information would be you gave to this and that allowed Adolfo to do this and therefore we have done everything. Most of these people were aware of what Jack Singlaub was doing which I think was only weaponry for the freedom fighters from outside the country.

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There had been many discussions about buying weapons outside the country with foreign money, that that is how you could do it.

Q What was your concern about contributing money for the purchase of weapons inside the country?

A What was my concern about that? I didn't say there was a concern about that. I said my contributors were aware because Adolfo mentioned several times that he used money he got from foreign sources to buy weapons around the world.

Q You said you could use money from foreign sources.

A That is what Adolfo said. He said when we give money in this country to support him, that frees up money that he would have from foreign sources, say, to buy bread, that he could now use to buy weapons.

Q Are you aware of something wrong, illegal with purchasing weapons from money contributed by individuals in he United States?

A There are certain laws that govern that.

Q Are you aware of the laws?

A I became aware of them in December.

Q What are they?

A You would have to get the lawyer to list them, but I got a briefing on what you have to do if you are going to do it. There is a process you have to go through. There are certain things you cannot do. It is almost like a blind

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investment at someone's banking account. I have not read that extensively.

Q Is that privileged?

A No. It is just a memo. Maybe you were gone when I said this the other day, that I was sure that Oliver North, when I went to see him or anybody in the White House, was not engaging in any activity that would be at all against the law and therefore I was sure that what he said was not against the law either.

I was sure that when our report came to us at the end of the 1986 year that we would probably have to go to some lawyer or the White House lawyer or I don't know whose lawyer, but we would go to them and be sure everything was legal and assure our contributors.

I had absolute confidence that when December 1986 came, we would. I didn't lose a minute's sleep over it. I had been very concerned about it because I thought Ollie was walking a tight line, but I was sure he knew exactly what he was doing.

This was the White House. And when we got our report ready, that all the legal underpinning would be there. It never once occurred to me that it would not be.

Q I am confused. You had a problem with raising money from individuals in the United States for weapons, you thought that should be foreign money?

. A No. Adolfo told our groups.

. Q Was that your understanding that you should not raise money in the United States for weapons?

. A No. My understanding was that this is what he could do when we gave him money. That replaced money he would have to use for bread and he could use this other money for weapons or other things.

. Q Did Rich Miller ever instruct you to use NEPL in your fund-raising efforts with contributors as opposed to any of your other organizations for the Central American freedom fighters?

. A I don't think I understand the question. Rich Miller never told me to use any organization for anything.

. Q So that was your decision?

. A Yes.

. Q Did you ever discuss with Colonel North the advantages of using a tax-exempt corporation to raise money, that some individuals may want to contribute to a tax-exempt corporation such as NEPL to be able to take that deduction when donating money to you?

. A Not in that way at all. I had mentioned several projects ~~that~~ which I wanted NEPL to carry out. I said to him, ''On the films on terrorism, we are going to be able to get this money because it is all tax deductible.''

. MR. BUCK: I have no further questions.

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Thank you very much.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. FRYMAN:

Q Mr. Channell, we previously talked about your meeting with Colonel North and Mr. Miller, I believe, in July of 198 where it was decided that you were transferring moneys to an account of Mr. Miller's that you had raised on behalf of the resistance in Nicaragua.

Do you recall that conversation in July of 1985?

A Yes.

Q Was it your understanding at the time of that conversation that Colonel North would have some control over the funds after they went into Mr. Miller's account?

A That is very difficult to tell because I was not aware for a very long time of the exact relationship of Rich Miller to Colonel North. Because I was not aware of it, I didn't think of what it could be. I didn't think of what could happen. I knew they were good friends. I knew they were associates.

I concluded after this dinner that Colonel North had something to do with the disposition of our support. It was clear that he did, but I couldn't tell you what. My image was that he would meet periodically with the freedom fighter leadership and maybe even Rich would be there and they would say we have this much now in the accounts, what

UNCLASSIFIED

do we do with it and Ollie might say, ''It is my advice that you do so-and-so and maybe Adolfo would say we want to do this.''

My idea was that it was going ~~in to~~ into a big pot and from time to time they were meeting to decide what to do with the money in sort of a collegial atmosphere. That is my image.

. Q After that July 1985 meeting, you caused millions of dollars to be transferred to an account controlled by Mr. Miller; is that correct?

. A Yes. IBC is what you mean; that is all.

. Q Either to the IBC account or the Cayman Islands account. There came a point when you caused funds to be transferred to the Cayman Islands, did you not?

. A Yes, at Mr. Miller's request. When we made out the checks to the Cayman Islands account, we were unaware that it was a Cayman Islands account.

. Q But you were subsequently made aware that it was?

. A That is correct.

. Q You caused millions of dollars of funds to be transferred to two accounts controlled by Mr. Miller?

. A I don't know if Mr. Miller was controlling those accounts.

. Q I just want to get the chronology straight in the record, Mr. Channell.

. In July 1985, you met with Colonel North and Mr. Miller and it was decided that you should transfer these funds?

. A To work through IBC to give support to the freedom fighters.

. Q Were you told of the account at that meeting, but subsequently Mr. Miller came to you and identified the account to which you should transfer the funds?

. A We transferred money to IBC and a year and three months later, whatever it was, we transferred money to the Grand Caymans account, but as I said, we were not aware that it was a Grand Caymans account. We thought it was another of Rich Miller's organizational accounts. It was not named Grand Caymans. It was named INTEL. I thought it was up here at Riggs Bank.

. Q After you transferred these millions of dollars to these accounts, was it your understanding that Colonel North had some say in the disposition of the funds from these accounts?

. A I personally believed that he had some influence on the disposition; that is correct.

. Q Mr. Buck asked you several questions about the purpose of private briefings with your contributors. You have described in your testimony a number of those private briefings, and I believe you have testified that on several occasions in those briefings Colonel North described particular military needs of the contras; is that correct?

A Yes.

Q Is it correct to say that one of the purposes at least on occasion of those private briefings was for Colonel North to communicate to the contributor particular military needs?

A Occasionally he would do that, you are correct.

Q You mentioned in response to Mr. Buck's questions that you had received a legal memorandum from your counsel, at least it is my understanding that you received written legal advice and that is what you described in response to Mr. Buck's question.

MS. MORRISON: I don't think he described the advice.

BY MR. FRYMAN:

Q It was written rather than oral; correct?

A I requested this from counsel after the crisis began. It was not during this time. It was after the crisis began. After I hired some lawyers to deal with this, I said, oh, good, I need to know. So it was all afterwards.

Q When you said after the crisis, you mean it was after December 1, 1986?

A Yes.

Q Was the attorney who prepared this memorandum Mr.

Marge?

A No.

Q Was it Ms. Morrison's firm?

MS. MORRISON: Is this relevant? I am wondering about the interest that you are expressing.

MR. FRYMAN: I think, Ms. Morrison, that it is appropriate for me to pursue this line of foundation questioning as a basis for reaching the conclusion that it is a privileged document.

MS. MORRISON: You have said it was a memo which arose advising Mr. Channell after the fact about issues related to what he has probably quite accurately described as the crisis. It is not pertinent to the time frame that you are looking at.

BY MR. FRYMAN:

Q Did you share this memorandum with any of your contributors?

A No.

Q And you had not received any memorandum with any attorney with respect to the mechanics of making contributions prior to December 1, 1986?

A No.

As you know, ~~503~~ 501-C-3 has a mandate as to what you could do with general parameters, general causes to help the world, feed the world, educate the world, which, of course, is produced by lawyers.

. Q Am I correct that Mr. Herge had served as counsel for your organization in connection with the organizational matter?

. A Yes.

. MR. FRYMAN: That is all the questions I have.

. BY MR. BUCK:

. Q Do you know of any contributors that donated money to your tax-exempt corporation, specifically NEPL, that would not have donated money had it not been a tax-exempt contribution?

. A No.

. Q Nobody ever stated that was the reason?

. A No.

. MR. FRYMAN: Thank you very much.

. [Whereupon, at 12:45 p.m., the taking of the deposition concluded.]

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CONTENTS

STATEMENTS OF:

With corrections
noted
October 14 1986
C. Channell

UNCLASSIFIED

January 9, 1986

Memorandum For: Mr. Spitz Channell

From: Rich Miller, Frank Gomez

Subject: Freedom Program

As you know, Bruce Cameron, among others, has been chastised lately by the liberal lobby for "defecting" to the Reagan Administration on Central American matters. Cameron, until last summer, was the chief foreign policy lobbyist for Americans for Democratic Action, and one of the most effective critics of Administration policy. Like Bob Leiken of the Carnegie Endowment, however, he saw the truth, spoke it, and lost his job.

We know Bruce personally. But through a confidential source, we have learned that he is in dire need of a job. It has occurred to us, therefore, (and with some extra thinking by our source) that he could be extremely helpful in the Central America Freedom Program.

What we suggest is that the Program provide a grant of about $40,000 to PRODEMCA and that one condition for the grant be that they hire Cameron as their lobbyist. This amount would enable Cameron to work about six months at $5,000 per month plus $10,000 in expenses (phone, representation, taxi, etc.)

Cameron's background is in the Democratic party. Also, PRODEMCA was founded and is guided primarily by conservative Democrats. They played an important role in the victory last spring. Both PRODEMCA and Cameron would have easy entree into the opposition ranks on the hill and would be highly credible.

We urge you to consider this as a component of your program. We welcome the opportunity to discuss it further.

Channell [illegible]
TMS 9/17/87

2139

MEMO

DATE: 12/2/86

TO: CLIFF/SPITZ

FROM: STEVE

RE: GOODMAN/RAM FILMS BALANCE DUE

ACCORDING TO OUR RECORDS, MRS. GARWOOD'S 25,000 CONTRIBUTION WAS GIVEN TO ACT SEF. WE WERE INSTRUCTED THAT THIS MONEY COULD NOT BE USED FOR THE TV COMMERCIALS. IT WAS USED TO PAY FOR NEWSPAPER ADS - GET OUT AND VOTE (18,000) AND OTHER BILLS. THEREFORE, THE ASSUMPTION THAT THIS MONEY WAS USED TO PAY FOR PRODUCTION COSTS OF THE TV COMMERCIALS IS INCORRECT.

WE WERE ALSO TOLD TO HOLD OFF ON SENDING THE INITIAL MONEY TO GOODMAN AND RAM UNTIL ENOUGH FUNDS HAD BEEN "CREATED" IN THE FEDERAL ACCOUNT. I BELIEVE THIS WAS ACCOMPLISHED VIA CONTRIBUTIONS FROM SPITZ, ERIC, AND ATAC FED (5,000 EACH).

AT THIS POINT IN TIME, THE FEDERAL MONIES WERE USED TO PURCHASE CRITICAL TIME BUYS, NOT PRODUCTION COSTS. THE SECOND PURCHASE OF MEDIA TIME FOR #14,000 COULD NOT BE COMPLETELY CARRIED OUT BY GOODMAN. THIS CREDIT OF #1,750 WAS APPLIED AGAINST THE TOTAL PRODUCTION COSTS OF RAM AND GOODMAN COMBINED OF #19,750 THUS LEAVING AN OUTSTANDING BALANCE FOR PRODUCTION COSTS OF APPROXIMATELY #18,000.

THEREFORE, IT IS CLEAR THAT WE HAVE NOT PAID THE PRODUCTION COSTS WHICH GOODMAN AND RAM ARE BILLING US FOR AND FOR WHICH WE HAVE BEEN AWARE OF NOW FOR AT LEAST A MONTH. WE HAVE EXPLAINED THIS SCENARIO ON PREVIOUS OCCASIONS AND MUST OBTAIN A RESOLUTION FROM YOU.

PLEASE REVIEW THE ATTACHED INVOICES AND AUTHORIZE FOR PAYMENT. IF YOU HAVE ANY DISCREPANCIES YOU MUST DISCUSS THEM WITH GOODMAN OR RAM. WE ARE NOT IN A POSITION TO DETERMINE THE VALIDITY OF THE CHARGES, ONLY WHETHER THEY HAVE BEEN PAID OR HAVE NOT BEEN PAID.

Channell Ex 51
TLS 9/17/87

Exhibit DC-1

[redacted] UNCLASSIFIED [redacted]

August 15, 1985

Dear Spitz:

Throughout the struggle for freedom and democracy in Nicaragua, there are those who have carried this great burden with dedication and a true sense of patriotism. You and the people involved in the National Endowment for the Preservation of Liberty are at the center of the struggle.

In the Spring when we began our campaign to help the Nicaraguan resistance in a crucial struggle for democracy in their native land, your resources helped carry the day. Without your fine efforts, their situation would have gone from desperate to hopeless. Yours was a key organization in supporting President Reagan's legislative initiative for Congressional aid to the Nicaraguan freedom fighters. Your paid advertising and support of the President's program was critical to our success.

In July when you began to help educate others to the needs of the Nicaraguan freedom fighters, their chances were greatly increased. The special events you hosted and the generous support your people gave carried the day and helped to save freedom from extinction in Nicaragua. Your continuing efforts have two very special values. The level of support you have brought to the struggle has been nothing short of monumental. The steadfastness and commitment you have maintained is the true sign of patriotism. When freedom and democracy are at stake, those who sacrifice without public acclaim it to the world are our truest patriots.

The programs you have undertaken are crucial. Without the means you provide, those who seek a democratic outcome in Nicaragua will fail. As always, in the hour of critical need, we find you and the National Endowment for the Preservation of Liberty ready to help.

For your past efforts and your present initiatives, we salute you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Carl Russell Channel
National Endowment for the
Preservation of Liberty
[illegible] 4th Street, N.E.
Washington, D.C. [illegible]

UNCLASSIFIED

5800

THE WHITE HOUSE
DC 20500 17AM

Western Union Mailgram

1-083601U017008 01/17/85 ICS WA08186 WSHA
00011 MLTN VA 01/17/85

MR. SPITZ CHANNELL
PRESIDENT
AMERICAN CONSERVATIVE TRUST
305 4TH STREET, N.E.
WASHINGTON, DC 20002

THE WHITE HOUSE IS CONDUCTING A SPECIAL BRIEFING ON CENTRAL AMERICA ON BEHALF OF THE NICARAGUAN REFUGEE FUND. YOU ARE CORDIALLY INVITED TO ATTEND THIS HIGH-LEVEL BRIEFING WHICH WILL BE HELD ON TUESDAY, JANUARY 22, FROM 1:30 TO 3:30 P.M. IN THE ROOSEVELT ROOM IN THE WEST WING OF THE WHITE HOUSE.

IF YOU PLAN TO ATTEND, PLEASE ARRIVE AT THE NORTHWEST GATE ON PENNSYLVANIA AVENUE BY 1:15 P.M. WITH PHOTO-ID.

PLEASE RSVP TO 202/456-2657 AS SOON AS POSSIBLE.

SINCERELY,

FAITH RYAN WHITTLESEY, ASSISTANT TO
THE PRESIDENT FOR PUBLIC LIAISON

13:08 EST

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

IMPORTANT NOTICE

THE NICARAGUAN REFUGEE FUND

a non profit 501(c)(3) humanitarian effort established to supply Nicaraguan refugees, now in Honduras and Costa Rica, with much needed medical supplies, food, tools and clothing, announces:

A Special Fundraising Dinner Honoring

PRESIDENT AND MRS. REAGAN

on
April 2, 1985
at

The Sheraton Washington Hotel
Woodley and Connecticut Avenues, N.W.
Washington, D.C.

Cocktails: 6:30 p.m.; Dinner: 7:30 p.m.

Tickets: $250 per person
$2500 per table

Co-Chairs of the dinner will be Rep. Louis (Woody) Jenkins, Chairman, Friends of the Americas, and well-known philanthropist and humanitarian, Sugar Rautbord.

Other outstanding Americans supporting this effort and serving on the Honorary Dinner Committee include:

W. Clement Stone
Bob Hope
Honorable Jack Kemp
Frank Borman

For Information Contact:
Nicaraguan Refugee Fund
Dinner Committee
1090 Vermont Avenue, NW
Washington, D.C. 20005
(202) 682-1680

MEMO

4/19/85

Dear Dan, Spitz & Crew:

It's been some week, and yet I know our collective efforts will reap nice rewards.

Enclosed find a summary sheet outlining our TV buys in ten different media markets across the country. As discussed, we'll attempt to "pry open" the Hartford/New Haven by Monday morning.

Finally, to prove there is indeed some method to my madness, I'm enclosing a summary of the research used to define the TV markets selected to reach the 21 targeted Congressmen (per Rich Miller). It provides a quick glimpse of the number of Congressman actually impacted by our wave of "Freedom Fighters" television.

We'll call you Monday about New Haven, and to set up a time when we can meet to discuss this current buy as it applies to any future projects down the line.

Thanks again for your patience. I really feel our two groups, working together, really make quite a team.

Adam G

the robert goodman agency, inc.
OLD COURT & FALLS ROADS — BOX 512, BROOKLANDVILLE, MARYLAND 21022

the
robert
goodman
agency, inc

OLD COURT & FALLS ROADS — BOX 312, BROOKLANDVILLE, MARYLAND 21022 (301) 296-5330

THE AMERICAN CONSERVATIVE TRUST
"Freedom Fighters" Television
Market by Market Cost Breakdown

TV Market	$ Spent
WASHINGTON	$ 25,950.
MIAMI	5,875.
CLEVELAND	5,090.
PHILADELPHIA	15,000.
KANSAS CITY	5,000.
TULSA	5,000.
ALBUQUERQUE	3,560.
BEAUMONT	3,400.
CHARLOTTE	5,015.
DALLAS	9,075.
	$ 82,965.

A contingency fund of $ 5,000 will be applied to any TV buy we can clear with a station which reaches the Greenwich, Connecticut viewing audience...

the robert goodman agency, inc. OLD COURT & FALLS ROADS — BOX 512, BROOKLANDVILLE, MARYLAND 21022 (301) 296-5330

FOR: THE AMERICAN CONSERVATIVE TRUST

STATION(S): WJLA-TV Washington, DC

DATE PREPARED: April 17, 1985

START DATE: April 18, 1985

END DATE: April 22, 1985

DAYS	BROADCAST TIME	SPOT LENGTH	BROADCAST DATES	PROGRAMMING	TOTAL SPOTS	RATE/ SPOT	TOTAL COST	GROSS RATING POINTS
Th-Mon.	7:00 - 9:00am	:30	4/18/85-4/22/85	Good Morning America	8	350.	2800.	40
Th-Mon.	5:30 - 7:00pm	:30	"	Early News	7	650.	4550.	56
Th-Mon.	11:00 -11:30pm	:30	"	Late News	5	1600.	8000.	55
Th-Mon.	11:30 -12:00am	:30	"	Nightline	3	900.	2700.	18
Sat/Sun	11:30 -11:45pm	:30	4/20/85-4/21/85	Network News Break	2	900.	1800.	12
Fri/Mon	7:30 - 8:00pm	:30	4/19/85&4/21/85	Entertainment Tonight	3	1700.	5100.	36
Sat.	7:30 - 8:00pm	:30	4/20/85	The Larry King Show	1	1000.	1000.	8
				WJLA-TV SCHEDULE TOTAL:	29		25,950	225

the robert goodman agency, inc.

THE AMERICAN CONSERVATIVE TRUST
"Aid to the Freedom Fighters"
TV -- Costs & Options

---

(1) WASHINGTON, D.C.

Affected Congressmen: ALL
Estimated Cost:

200 GRPs - $ 25,000
250 GRPs - 31,250

---

(2) MIAMI, FLORIDA

Affected Congressmen: LARRY SMITH (R - 16th CD)
Dan Mica (D - 14th CD)
Clay Shaw (R - 15th CD)
Bill Lehman (D - 17th CD)
Claude Pepper (D - 18th CD)
Dante Fascell (D - 19th CD)

JULIUS PIERCE (Miami contributor)

Estimated Cost:
100 GRPs - $ 22,500
150 GRPs - 33,750

---

(3) NEW HAVEN, CONNECTICUT

Affected Congressmen: NANCY JOHNSON (R - 6th CD)
Barbara Kennelly (D - 1st CD)
Sam Gejdensen (D - 2nd CD)
Bruce Morrison (D - 3rd CD)
John Rowland (R - 5th CD)

BARBARA NEWINGTON (Greenwich, Ct. contributor

The American Conservative Trust
"Freedom Fighters" TV

Page Two

New Haven, Ct. (Continued)

Estimated Cost:
100 GRPs - $ 6,500
150 GRPs - 9,750

---

(4) AUSTIN, TEXAS

Affected Congressmen: J.J. Pickle (D - 10th CD)
Marvin Leath (D - 11th CD)
Mac Sweeney (R - 14th CD)
Tom Loeffler (R - 21st CD)

ELLEN GARWOOD (Austin Contributor)

Estimated Cost:
150 GRPs - $ 3,000
200 GRPs - 4,000

---

(5) CEDAR RAPIDS/WATERLOO, IOWA

Affected Congressmen: TOM TAUKE (R - 2nd CD)
COOPER EVANS (R - 3rd CD)
Jim Leach (R - 1st CD)
STEVE GUNDERSON (R - Wisconsin 3rd CD)

Estimated Cost:
100 GRPs - $ 2,000
150 GRPs - 3,000

---

(6) BANGOR, MAINE

Affected Congressmen: OLYMPIA SNOWE (R - 2nd CD)
John McKernan (R - 1st CD)

Estimated Cost:

100 GRPs -	$ 1,000
150 GRPs -	1,500

---

(7) LA CROSSE/EAU CLAIRE, WISCONSIN

Affected Congressmen: STEVE GUNDERSON (R - 3rd CD)
Robert Kastenmeier (D - 2nd CD)
Thomas Petri (R - 6th CD)
David Obey (D - 7th CD)
Tim Penny (D - Minnesota 1st CD)

Estimated Cost:

100 GRPs -	$ 1,500
150 GRPs -	2,250

---

(8) CINCINNATI, OHIO

Affected Congressmen: BILL GRADISON (R - 1st CD)
Thomas Luken (D - 2nd CD)
Bob McEwen (R - 6th CD)
Thomas Kindness (R - 8th CD)
Gene Snyder (R - Kentucky 4th CD)
Lee Hamilton (D - Indiana 9th CD)

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"Freedom Fighters" TV

Page Four

Cincinnati, Ohio (Continued)

Estimated Cost:

100 GRPs - $ 4,000
150 GRPs - 6,000

---

(9) CLEVELAND, OHIO

Affected Congressmen: RALPH REGULA (R - 16th CD)
Michael Oxley (R - 4th CD)
Del Latta (R - 5th CD)
Dennis Eckert (D - 11th CD)
Don Pease (D - 13th CD)
John Seiberling (D - 14th CD)
Doug Applegate (D - 18th CD)
Edward Feighan (D - 19th CD)
Mary Rose Oakar (D - 20th CD)
Louis Stokes (D - 21st CD)

Estimated Cost:

100 GRPs - $ 6,000
150 GRPs - 9,000

---

(10) HARRISBURG/YORK/LANCASTER/LEBANON, PENNSYLVANIA

Affected Congressmen: BILL GOODLING (R - 19th CD)
Robert Walker (R - 16th CD)
George Gekas (R - 17th CD)

The American Conservative Trust
"Freedom Fighters" TV

Page Five

Harrisburg/York/Lancaster/Lebanon, Pa. (Continued)

Estimated Cost:

100 GRPs - $ 3,000
150 GRPs 4,500

---

(11) PHILADELPHIA, PENNSYLVANIA

Affected Congressmen:
GUS YATRON (D - 6th CD)
LAWRENCE COUGHLIN (R - 13th CD)
Tom Foglietta (D - 1st CD)
William Gray (D - 2nd CD)
Robert Borski (D - 3rd CD)
Richard Schulze (R - 5th CD)
Bob Edgar (D - 7th CD)
Peter Kostmayer (D - 8th CD)
Don Ritter (R - 15th CD)
Robert Walker (R - 16th CD)
Tom Carper (D - At-Large, Delaware)
Jim Florio (D - New Jersey 1st CD)
William Hughes (D - New Jersey 2nd CD)

Estimated Cost:

100 GRPs - $ 12,500
150 GRPs - 18,750

The American [redacted]ative Trust
"Freedom [redacted] TV

Page Six

(12) ROCKFORD, ILLINOIS

Affected Congressmen: LYNN MARTIN (R - 16th CD)
John Grotberg (R - 14th CD)
Les Aspin (D - Wisconsin 1st CD)

Estimated Cost:
100 GRPs - $ 2,000
150 GRPs - 3,000

---

(13) KANSAS CITY, MISSOURI

Affected Congressmen: JAN MEYERS (R - Kansas 3rd CD)
Jim Slattery (D - Kansas 2nd CD)
Bob Whittaker (R - Kansas 5th CD)
Ike Skelton (D - Missouri 4th CD)
Alan Wheat (D - Missouri 5th CD)
Thomas Coleman (R - Missouri 6th CD)

Estimated Cost:
100 GRPs - $ 5,000
150 GRPs - 7,500

---

(14) SEATTLE/TACOMA, WASHINGTON

Affected Congressmen: JOHN MILLER (R - 1st CD)
Al Swift (D - 2nd CD)
Don Bonker (D - 3rd CD)
Sid Morrison (R - 4th CD)
Norm Dicks (D - 6th CD)
Mike Lowry (D - 7th CD)
Rod Chandler (R - 8th CD)

The American Conservative Trust [redacted]
"Freedom Fighters" TV

Page Seven

Seattle/Tacoma, Wash. (Continued)

Estimated Cost:

100 GRPs - $ 6,500
150 GRPs - 9,750

---

(15) ROCHESTER, NEW YORK

Affected Congressmen: FRANK HORTON (R - 29th CD)
Fred Eckert (R - 30th CD)
Jack Kemp (R - 31st CD)
John LaFalce (D - 32nd CD)

Estimated Cost:

100 GRPs - $ 2,500
150 GRPs - 3,750

---

(16) TULSA, OKLAHOMA

Affected Congressmen: JIM JONES (D - 1st CD)
Mike Synar (D - 2nd CD)
Wes Watkins (D - 3rd CD)
Mickey Edwards (R - 5th CD)

Estimated Cost:

100 GRPs - $ 3,500
150 GRPs - 5,250

---

(17) ALBUQUERQUE, NEW MEXICO

Affected Congressmen: BILL RICHARDSON (D - 3rd CD)
Manuel Lujan (R - 1st CD)
Joe Skeen (R - 2nd CD)
Michael Strang (R - Colorado 3rd CD)

Estimated Cost:
100 GRPs - $ 2,500
150 GRPs - 3,750

(18) BEAUMONT, TEXAS

Affected Congressmen: CHARLES WILSON (D - 2nd CD)
Jack Brooks (D - 9th CD)

Estimated Cost:
100 GRPs - $ 2,000
150 GRPs - 2,500

(19) GREENSBORO, NORTH CAROLINA

Affected Congressmen: STEPHEN NEAL (D - 5th CD)
BILL HEFNER (D - 2nd CD)
Tim Valentine (D - 2nd CD)
Bill Cobey (R - 4th CD)
Howard Coble (R - 6th CD)
Alex McMillan (R - 9th CD)

Estimated Cost:
100 GRPs - $ 3,500
150 GRPs - 5,250

(20) CHARLOTTE, NORTH CAROLINA

Affected Congressmen: STEPHEN NEAL (D - 5th CD)
BILL HEFNER (D - 8th CD)
Alex McMillan (R - 9th CD)
Jim Broyhill (R - 10th CD)
Bill Hendon (R - 11th CD)
John Spratt (D - South Carolina 5th CD)

Estimated Cost:
100 GRPs - $ 5,000
150 GRPs - 7,500

---

(21) DALLAS, TEXAS

Affected Congressmen: CHARLES WILSON (D - 2nd CD)
Sam Hall (D - 1st CD)
Steve Bartlett (R - 3rd CD)
Ralph Hall (D - 4th CD)
John Bryant (D - 5th CD)
Joe Barton (R - 6th CD)
Marvin Leath (D - 11th CD)
Jim Wright (D - 12th CD)
Charles Stenholm (D - 17th CD)
Martin Frost (D - 24th CD)
Dick Armey (R - 26th CD)

Estimated Cost:
100 GRPs - $ 12,500
150 GRPs - 18,750

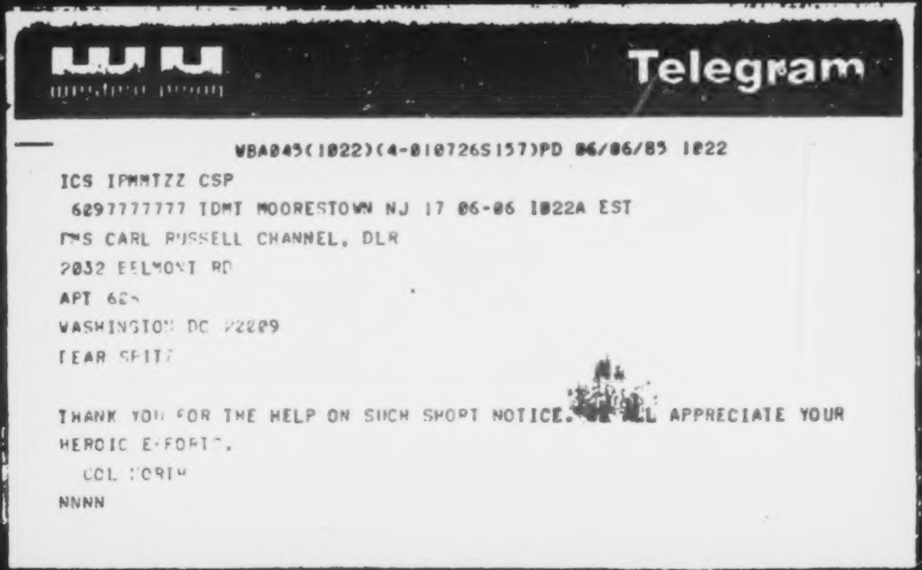
---

(22) SAN FRANCISCO, CALIFORNIA

Affected Congressmen: ED ZSCHAU (R - 12th CD)
Doug Bosco (D - 1st CD)
Gene Chappie (R - 2nd CD)
Vic Fazio (D - 4th CD)
Sala Burton (D - 5th CD)
Barbara Boxer (D - 6th CD)
George Miller (D - 7th CD)
Ron Dellums (D - 8th CD)
Pete Stark (D - 9th CD)
Don Edwards (D - 10th CD)
Tom Lantos (D - 11th CD)
Norman Mineta (D - 13th CD)

Estimated Cost:
100 GRPs - $ 17,500
150 GRPs - 26,250

NOTE: All Congressman listed in CAPS above are among the 21 Reps. targeted by Rich Miller...



WBA045(1022)(4-010726S157)PD 06/06/85 1022

ICS IPMMTZZ CSP
6097777777 TDMT MOORESTOWN NJ 17 06-06 1022A EST
MRS CARL RUSSELL CHANNEL, DLR
2032 BELMONT RD
APT 62[illegible]
WASHINGTON DC 22209
DEAR SPITZ

THANK YOU FOR THE HELP ON SUCH SHORT NOTICE. [illegible] ALL APPRECIATE YOUR HEROIC EFFORTS.

COL NORTH

NNNN

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

[illegible]

August 15, 1985

Dear Spitz:

Throughout the struggle for freedom and democracy in Nicaragua, there are those who have carried this great burden with dedication and a true sense of patriotism. You and the people involved in the National Endowment for the Preservation of Liberty are at the center of the struggle.

In the Spring when we began our campaign to help the Nicaraguan resistance in a crucial struggle for democracy in their native land, your resources helped carry the day. Without your fine efforts, their situation would have gone from desperate to hopeless. Yours was a key organization in supporting President Reagan's legislative initiative for Congressional aid to the Nicaraguan freedom fighters. Your paid advertising and support of the President's program was critical to our success.

In July when you began to help educate others to the needs of the Nicaraguan freedom fighters, their chances were greatly increased. The special events you hosted and the generous support your people gave carried the day and helped to save freedom from extinction in Nicaragua. Your continuing efforts have two very special values. The level of support you have brought to the struggle has been nothing short of monumental. The steadfastness and commitment you have maintained is the true sign of patriotism. When freedom and democracy are at stake, those who sacrifice without public acclaim it to the world are our truest patriots.

The programs you have undertaken are crucial. Without the means you provide, those who seek a democratic outcome in Nicaragua will fail. As always, in the hour of critical need, we find you and the National Endowment for the Preservation of Liberty ready to help.

For your past efforts and your present initiatives, we salute you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Carl Russell Channel
National Endowment for the
Preservation of Liberty
305 4th Street, N.E.
Washington, D.C. 20002

CONFIDENTIAL

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. [illegible]

CONFIDENTIAL

August 15, 1985

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Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Carl Russell Channel
National Endowment for the
Preservation of Liberty
[illegible] 4th Street, N.E.
Washington, D.C. [illegible]

the robert goodman agency, inc.

"Freedom Spots" Television
Placement Profile: Costs & Options

August, 1985

I. TARGETED MARKETS: Coverage & Costs

Market	TV Market Ranking	% of U.S. Television	Estimated Cost per GRP*
NEW YORK	1	7.72%	$ 300.
DALLAS/FT. WORTH	8	1.77	145.
WASHINGTON, D.C.	9	1.75	93.
HOUSTON	10	1.69	125.
MIAMI/ FT. LAUDERDALE	14	1.36	106.
HARTFORD/NEW HAVEN	22	.94	80.
SAN ANTONIO	44	.62	44.
RICHMOND/ CHARLOTTESVILLE	55	.52	28.
AUSTIN	81	.34	27.
JACKSON	84	.32	18.
Totals:		17.03%**	$ 966.

*Cost estimates are based on projected third quarter televisio spot rates using the following sample schedule formula:

10% Daytime (9A-4:30P, M-F)
20% Early Evening (4:30-7:30P, non-news, M
20% Early News (5-7P, M-F)
20% Prime Time (8-11P, M-Sa; 7-11P, Sun.)
20% Late News (11-11:30P, M-F)
10% Late Night (11:30P-1A, M-F)

**This percentage of the nation's television viewers translat into 38,054,046 people (NOTE: Without New York, we would st reach 17,250,572 viewers...)

2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296 5110

Page Two

II. PLACEMENT BUDGET OPTIONS: Costs & Frequencies

A. Preferred Plan -- All Markets -- 300 GRPs (approx. 25-30, 60-second spots per market)

New York	$ 180,000.
Dallas/Ft. Worth	87,000.
Washington, D.C.	55,800.
Houston	75,000.
Miami/Ft. Lauder.	63,600.
Hartford/N. Haven	48,000.
San Antonio	26,400.
Richmond/C'ville	16,800.
Austin	16,200.
Jackson	10,800.
	$ 579,600.

***Frequency Distribution per Market:

1X --- 93%
2X --- 67%
3X --- 45%
4X --- 30%
5X --- 20%

***This refers to the number of times an average viewer in a particular market sees a spot or series of spots... In the frequency table above, reflecting a TV buy of 300 GRPs in each of the ten selected Markets, 93% of the total audience in each market will see our spot one time(1X); 67% of the audience will see it twice(2X); 45% three times(3X); and so on...

A 0075619

[illegible]
MIDDLETOWN, VA. 22645
13AM

Western Union Mailgram

4-0057600256002 09/13/85 ICS IPMMTZZ CSP WHSB
1 2023873002 MGM TDMT WASHINGTON DC 09-13 0903A EST

C H 031857

INTERNATONAL BUSINESS COMMUNICATION J KEFFER
1925 NEW HAMPSHIRE AVE NORTHWEST SUITE 200
WASHINGTON DC 20036

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2023873002 TDMT WASHINGTON DC 95 09-13 0903A EST
PMS MR A R MIXSON JR CARE POWER CONSTRUCTORS INC. DLR
725 EAST LAMAR BLVD SUITE B
ARLINGTON TX 76011

DEAR RALPH IT WAS A BLESSING TO HAVE MET WITH YOU WEDNESDAY NIGHT AND TO SHARE A FEW MOMENTS WITH A FELLOW CHRISTIAN WHO LIKE I HAS STUMBLED ON THE WALK

THE CAUSE OF THE BRAVE MEN AND WOMEN WHO CALL THEMSELVES THE CHRISTIAN GUERILLAS IS JUST. THE SACRIFICES THEY ARE MAKING ARE CRUCIAL TO THE FREEDOM OF MILLIONS...AS IS THE SACRIFICE YOU CONTEMPLATED. THEY'RE IN A CRUCIAL PERIOD AND YOU CAN HELP SEE THEM SAFELY THROUGH IT.

YOUR HELP IS INVALUABLE AND TIMELY. MAY GOD BLESS YOU FOR YOUR VIGILANCE.

GOD BE WITH YOU
OLIVER NORTH COLOJEL US MARINES

09:03 EST

MGMCOMP

A 0029694

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

September 30, 1985

MEMO TO: Rich & Frank

From: Dan Conrad

RE: October Objectives

Here are our requirements for the month of October.

G — 1. RR letter to ACT/NEPL

G — 2. RR letter to Barbara Newington

G — 3. RR meeting with Barbara Newington

4. RR meeting with Bunker Hunt, Ellen Garwood, Fred Sacher & Warms

G — 5. Ellen Garwood letter to RR

6. RR meeting with ACT/NEPL personnel

7. dinner with Pat Buchanan

8. Pat Buchanan letter to ACT/NEPL

9. RR to Conservative Conference in December

10. RR + McFarlane to October 17th meeting

11. dinner with Don Regan

12. Pat Buchannan to attend October 17th meeting

13. meeting with George Bush

14. Frank: get article on Ellen Garwood in Washington Times by 10/17

DINNER ATTENDEES

October 17, 1985

	Attendee	Host	Table Number
1.	Dr. Mary J. Adamkiewicz	Dan	2
2.	Mrs. Patricia D. Beck	Cliff	3
3.	Mr. Benjamin T. Borelli	Staff	7
4.	Mr. Robert Henry Brandenburger	Kris	4
5.	Mr. J. Clifton Caldwell	Rich	5
6.	Mr. Adolfo Calero	Spitz	1
7.	General Thomas Camp, Jr.	Cliff	3
8.	Mrs. Margaret Forsythe Camp	Cliff	3
9.	Mr. Carl Russell Channell	Spitz	1
10.	Mrs. Barbara Bullitt Christian	Dan	2
11.	Miss Jacqueline M. Clemons	Staff	7
12.	Mr. Daniel Lynn Conrad	Dan	2
13.	Miss Angela J. Davis	Staff	7
14.	Mr. Robert Bruce Ferguson	Rich	5
15.	Mrs. St. John Garwood	Spitz	1
16.	Mr. Francis D. Gomez	Frank	6
17.	Mr. I. Robert Goodman	Frank	6
18.	Mr. Michael Adam Goodman	Kris	4
19.	Mr. Tatnall Lea Hillman	Dan	2
20.	Mr. Jeffrey M. Keffer	Staff	7
21.	Mr. John E. Krachik	Frank	6
22.	Mr. Krishna S. Littledale	Kris	4
23.	Mrs. Evelyn McKinley	Dan	2
24.	Mr. Richard R. Miller	Rich	5
25.	Major General George S. Patton	Cliff	3
26.	Mr. Nolan Pentecost	Kris	4
27.	Mrs. Mary Jo Pentecost	Kris	4
28.	Mr. John W. Ramsey	Rich	5
29.	Mrs. Nancy A. Ramsey	Rich	5
30.	Mr. Fred R. Sacher	Frank	6
31.	Mrs. Ruth Sacher	Frank	6
32.	Mr. F. Clifton Smith	Cliff	3
33.	Mr. David Harold Warm	Spitz	1
34.	Mrs. Paula Warm	Spitz	1
35.	Mr. Roger Wilkins	Staff	7

TABLE SEATINGS

October 17, 1985

Table 1:	Carl Russell Channell Mr. Adolfo Calero Mrs. St. John Garwood Mr. David Harold Warm Mrs. Paula Warm
Table 2:	Daniel Lynn Conrad Dr. Mary J. Adamkiewicz Mrs. Barbara Bullitt Christian Mr. Tatnall Lea Hillman Mrs. Evelyn McKinley
Table 3:	F. Clifton Smith Mrs. Patricia D. Beck Major General George S. Patton General Thomas Camp, Jr. Mrs. Margaret Forsythe Camp
Table 4:	Krishna S. Littledale Mrs. Nolan Pentecost Mr. Nolan Pentecost Mr. Michael Adam Goodman Mr. Robert Henry Brandenburger
Table 5:	Richard R. Miller Mr. John W. Ramsey Mrs. Nancy A. Ramsey Mr. Robert Bruce Ferguson Mr. J. Clifton Caldwell
Table 6:	Francis D. Gomez Mr. I. Robert Goodman Mr. Fred R. Sacher Mrs. Ruth Sacher Mr. John Krachik
Table 7:	Benjamin T. Borelli Roger Wilkins Miss Angela J. Davis Jeffrey M. Keffer Miss Jacqueline M. Clemons

THURSDAY

October 17, 1985

8:30	Hay-Adams, Coffee - Ramsey & Green
	Mrs. Barbara Bullitt Christian, Driving
1:00	Mr. John Krachik, Private Plane, Butler Aviation (Kris will pick up)
1:25	Mr. & Mrs. David Warm, Dulles, Republic Airlines (Cliff will pick up)
1:30	Mr. & Mrs. Pentecost, Mrs. McKinley, Mr. Caldwell National Airport, Flight 1730 (Cliff will pick up)
2:59	Major General George S. Patton, National, Eastern 185 (Cliff will pick up)
5:21	Mrs. Garwood, National, American 800 (Roger will pick up)
5:14	Mr. Bob Ferguson, National, American 278 (Kris will pick up)
5:30	Leave Hay-Adams
6:00	Indian Treaty Room
7:45	Reception
8:15	Dinner
9:00	Program
11:00	Adjourment

CENTRAL AMERICAN FREEDOM PROGRAM BRIEFING

October 17, 1985

6:00	Greetings and Welcome Linas Kojelis, Associate Director, Public Liason Office
6:05	Introduction of Pat Buchannan Linas Kojelis
6:06	Remarks Pat Buchannan
6:16	Introduction of Col. Oliver North Pat Buchannan
6:17	Military Update Col. Oliver North
6:47	Introduction of Spitz Channell Linas Kojelis
6:48	Introduction of Fred Sacher & Film Spitz Channell
6:55	Viewing of Film
7:10	Q + A
7:20	Adjournment Spitz Channell

CENTRAL AMERICAN FREEDOM PROGRAM DINNER

October 17, 1985

7:45	Reception/cocktails
8:15	Dinner
9:00	Opening Remarks Spitz Channell
9:10	Introduction of Frank Gomez Spitz Channell
9:11	Review of Briefing Packet Contents Frank Gomez
9:15	Discussion of Need for Public Diplomacy Program Frank Gomez
9:35	Introduction of Bob Goodman Frank Gomez
9:36	Importance of the Public Diplomacy Program Bob Goodman
9:45	Introduction of Adolpho Calero Spitz Channell
9:46	Remarks Adolfo Calero
9:56	Introduction of Commandantes Adolfo Calero
9:58	Remarks Commandantes/Frank Gomez translates
10:15	Presentation of Awards to Senior Patriots Spitz Channell, Commandantes, Frank Gomez translates
10:30	UNO Leaders & Commandantes Leave
10:30	Description of Friends of Freedom Program Spitz Channell
10:45	Request for Participation in Friends of Freedom Program -- Spitz Channell, Table Hosts
10:50	Adjournment Spitz Channell

FRIDAY

October 18, 1985

8:00	Ellen Garwood, breakfast in the Grill
9:00	Mr. & Mrs. David Warm
9:30	Patty Beck
12:27	Mrs. Garwood departs from National, American 467
	Mr. & Mrs. Ramsey depart from National, American
4:30	Inman Brandon
5:00	Christian, Adamkiewicz & 3rd person
5:30	Nolan and Mary Jo Pentecost and Mrs. McKinley

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October 18, 1985

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9:30	Patty Beck
12:27	Mrs. Garwood departs from National, American 467
	Mr. & Mrs. Ramsey depart from National, American
4:30	Inman Brandon
3:30 ~~5:00~~	Christian, Adamkiewicz & 3rd person
~~5:30~~ 4:00	Nolan and Mary Jo Pentecost and Mrs. McKinley

Fred Sacher 12^{15}

C H 042271

FRIDAY

October 18, 1985 in April?

8:00 Ellen Garwood, breakfast in her room

9:00 Mr. & Mrs. David Warm

9:30 Patty Beck

12:27 Mrs. Garwood departs from National, American 467

Mr. & Mrs. Ramsey depart from National, American

4:30 Inman Brandon

5:00 Christian, Adamkiewicz & 3rd person

5:30 Nolan and Mary Jo Pentecost + Mrs McKinley

can we get her out earlier?
any flight after 9:45
call Anita

copy other
side

THE WHITE HOUSE
WASHINGTON

C H 029153

BRIEFING FOR THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

6:00 p.m. to 7:30 p.m. Thursday, November 21, 1985

* * * * * *

6:00 p.m. Welcome -- Mr. Linas Kojelis, Special Assistant to the President for Public Liaison

Remarks -- Ms. Linda Chavez, Deputy Assistant to the President and Director of the Office of Public Liaison

6:10 p.m. "Central America - A Review and Update" -- Lt. Col. Oliver North, Deputy Director, Office of Political-Military Affairs, National Security Council

7:10 p.m. Film -- "The Freedom Fighters of Nicaragua: An Update"

* * * * * *

FDN
WASHINGTON, D.C

C H 032034

December 5, 1985

Mr. Carl Russell Channell
President
American Conservative Trust
Suite 210
305 4th St. N.E.
Washington, D.C. 20002

My Dear Friend 'Spitz,

I wish to thank you for all the support you have provided us this year. Now we need your support to help several hundred families who remained in Nicaragua. These women and children have been expropriated by the Sandinistas and are constantly harrassed and intimidated. All because a member of their family has joined our struggle for freedom. These people have been deprived of even the basic means to survive in Communist Nicaragua.

The brave decision these families make to stand and silently help our struggle is their commitment. They intend to provide us information and assistance in our country. This will cost them a great deal. Their Christmas will be hard and lean.

We ask your help, as you have done so well in the past, to keep these families alive. We need $50,000.00 dollars through the holiday season. Please help us to sustain those who have stayed behind so that those of us on the front lines can survive.

God bless you for your past efforts and constant faith in us.

Sincerely,

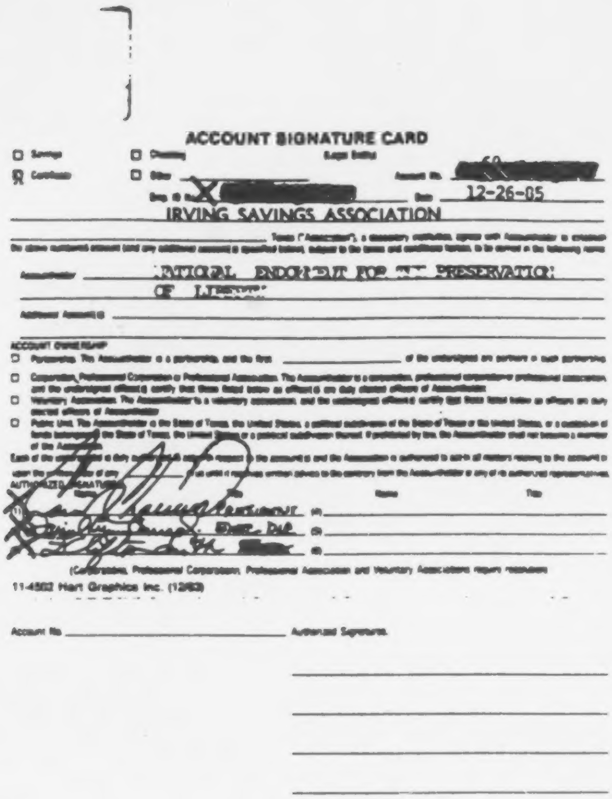
Adolfo Calero

December 18, 1985

As of today, 43 groups have agreed to be Participating Organizations:

Accuracy in Media (Reed Irvine)
American Conservative Foundation (Spitz Channell)
American Conservative Trust (Spitz Channell)
American Conservative Trust State Election Fund (Spitz)
American Citizens for Political Action (Bob Dolan)
American Seturity Council (John Fisher)
John M. Ashbrook Center for Public Affairs (Clif White)
Campaign America (Kirk Clinkenbeard)
Citizens Committee for the Right to Keep & Bear Arms (John Snyder)
Citzens for a Sound Economy (Richard Fink)
College Republicans (David Miner)
Conservative ALLiance (Bitsey Stone)
Council for Inter-American Security (Lynn Bouchey)
Council for the Defense of Freedom (Don Irvine)
Eagle Forum (Phyllis Schafley)
Eberle Direct Marketing Group
Free Congress Foundation (Paul Weyrich)
Freedom's Friends (Bill Murray)
Fund for a Conservative Majority (Bob Heckman)
Grow Washington (Spitz Channell)
High Frontier (General Danny Graham)
Moral Majority (Charlie Judd)
National Conservative Political Action Committee (Terry Dolan)
National Endowment for the Preservation of Liberty (Spitz)
National Forum Foundation (James Denton)
National Tax Limitation Committee (Lew Uhler)
Nofziger-Bragg Communicators
Jay Parker & Associates
Public Advocate of the United States, Inc. (Ron Pearson)
Public Service Research Council (Dave Denholm)
Response Dynamics, Inc. (Ron Kanfer)
Russo, Watts & Rollins (Ed Rollins)
Sentinel (Spitz Channell)
Ann E.W. Stone & Associates, Inc.
The Conservative Caucus Foundation (Howard Phillips)
The Fund for an American Renaissance (Jim Roberts)
The National Congressional Club (Carter Wrenn)
U.S. Council for World Freedom (General Singlaub)
United States Justice Foundation (Jim Lacy)
Western Goals Foundation (Linda Guell)
Young America's Foundation (Ron Robinson)
Young Conservative Foundation (David Finzer)
Young Vietnamese for Freedom (Troung Quang Si)

Spitz
Congratulations appear to be in order for your growth & vision. Sincerely
Bob Dolan



ACCOUNT SIGNATURE CARD

☐ Savings ☐ Checking

☒ Certificate ☐ Other

Account No. [redacted]

Soc. ID No. X [redacted] Date 12-26-85

IRVING SAVINGS ASSOCIATION

Accountholder NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

Additional Account(s)

ACCOUNT OWNERSHIP

☐ Partnership.

☐ Corporation, Professional Corporation or Professional Association.

☐ Voluntary Association.

☐ Public Unit.

AUTHORIZED SIGNATURES

Name Title

(1) President (4)

(2) Exec. Dir. (5)

(3) (6)

11-4502 Hart Graphics Inc. (12/83)

Account No. Authorized Signatures

TERMS AND CONDITIONS

General. The account(s) are subject to Association's charter and bylaws, all applicable laws and rules of the United States and the State of Texas, and any rules and regulations applicable to such account(s), including [illegible] service charges and rates of earnings, which may be established from time to time by the Association. Accountholder acknowledges receipt of a current copy of such rules and regulations, if any. The Association reserves the right to change such rules and regulations at any time. The Association shall give notice of changes by posting a copy of such changes in the lobby or by mailing a copy thereof to Accountholder at the address shown on the Association's records.

Forms. Accountholder may use only those forms supplied or approved by the Association, and the Association may return unpaid any other form of order or any order inadequately drawn.

Endorsement. Endorsement for deposit may be written or stamped endorsement of Accountholder's name, without designation of the party making the endorsement.

Facsimile Signatures. If the authorized signatures hereon include one or more facsimile signatures, Accountholder requests and authorizes Association to honor any and all such facsimile signatures, without any obligation of Association to determine the source of any such signature or the authority of the person who affixed such signature to any item or document.

Termination. The account relationship may be terminated by the Association at any time and without previous notice by mailing notice thereof and a check for the account balance, if any, to Accountholder at Accountholder's address as shown on Association's records.

Advances. Association may charge Accountholder the maximum legal rate of interest on advances and overdrafts from the date of advance or overdraft until paid.

Waiver of Interest. If the account established pursuant to this signature card is a non-interest bearing checking account, the Accountholder expressly waives any right to receive interest or other earnings on any funds placed in the account.

COLLECTION AGREEMENT

The Association shall have the rights, duties and obligations of a "depositary" or "collecting bank" with respect to all items tendered for deposit or credit to the account(s) by Accountholder and of a "payor bank" with respect to all items drawn on it by Accountholder under the provisions of Chapter 4 of the Business and Commerce Code of Texas. Any amount not collected for which credit has been given and any expenses, including reasonable attorney's fees and costs incurred by Association in connection with this account, may be charged to the account(s).

CERTIFICATION

Under penalties of perjury, the undersigned certify(ies) (1) that the number shown above is the Accountholder's correct taxpayer identification number and (2) that the Accountholder is not subject to backup withholding either because the Accountholder has not been notified that the Accountholder is subject to backup withholding as a result of failure to report all interest or dividends, or the Internal Revenue Service has notified the Accountholder that the Accountholder is no longer subject to backup withholding. (NOTE: Accountholder must strike out language certifying that Accountholder is not subject to backup withholding due to notified payee underreporting if Accountholder has been notified that Accountholder is subject to backup withholding due to notified payee underreporting, and Accountholder has not received a notice from the Internal Revenue Service advising Accountholder that backup withholding has been terminated.)

Signature

L Stephen McMahon, CPA

Signature

© [illegible]

CENTRAL AMERICAN PROPOSAL

John T. (Terry) Dolan

January 6, 1986

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PURPOSE

*To educate the public on the dangers of a communist takeover in Central America through the activities of a 501(c) (3) entity; and,

*To lobby Congress to pass continuing aid to Nicaraguan Freedom Fighters.

STRATEGY

There is little doubt that Congress and the public are plagued with the Vietnam Syndrome. They are very reluctant to get America involved in any Central American conflict, despite the potential dangers of failure to act. But, in fact, there are two competing majorities on Central America: one majority is isolationist, while the other is anti-communist. For example, polling data shows that people instantly change their minds about Central America and support American involvement there, when confronted with the facts of communist control of Central America, the possibility of large numbers of refugees, and the possible use of Central America to launch a nuclear attack against America. Virtually every survey shows the American public is grossly ignorant about Central America. (see attached addendum)

The purpose of this campaign will be to refocus the issue away from isolationism towards the issue agenda that will increase public support for Ronald Reagan's position in Central America. By educating the public and framing the debate so that undecided members of Congress begin to sense grassroots pressure, the liklihood of further aid to the Contras will be increased dramatically.

It is critical that there be a two-track effort. A strong Washington lobbying presence will not be half as effective if it is not accompanied by a strong grass-roots response in the form of in-district lobbying. Central America, unlike other foreign policy issues, is very difficult to understand. One of our biggest problems will be simplifying it so that the average voter will understand and contact his Congressman.

Bus. Interes.
S. America
Sponsor this

KEY QUESTIONS

Several key questions must be answered before a complete strategy can be developed.

(1) How public does this campaign intend to be? There is great value in a splashy announcement of a multi-million dollar campaign. The idea of the bank book will get press credibility and scare some members of Congress. However, it also opens the whole effort to press scrutiny, including the names of contributors. On the other hand, any multi-million dollar effort on a hot issue is bound to attract attention, whether it's wanted or not.

(2) Do we focus activities on a small group of high-publicity Congressmen and broaden the campaign for as many as fifty Congressmen? By keeping the list of targets to a small number (5-10), you insure that each effort will be more effectively run than a larger number. The strategy would be to intimidate other Congressmen into voting right, based on what they see is happening to their colleagues. This would involve a large media presence in Washington, D.C. Of course there would be activities in other Congressmen's districts, but not the same level as the targeted Congressmen's districts.

(3) Does this organization plan to continue after the next vote, and if so, is there a desire to expand its grassroots activities? If the answers are "yes" to both, then the budget should be rewritten to incorporate a larger direct mail campaign.

ASPECTS OF THE CAMPAIGN

(1) Field Staff and In-district Lobbying - Fulltime coordinators should be hired for a selected number of Congressmen's districts. They should have the principle responsibilities of:

(a) Recruiting and organizing a prestigious group of community leaders to form a local affiliate. This committee will have the primary responsibility of overseeing the lobbying effort in that district.

(b) Generating favorable media coverage through local events and activities, as well as arranging for media coverage of national personalities, such as contra leaders, victims of Nicaraguan atrocities and others.

(c) Generating no less than fifty documentable, lobbying contacts per Congressional district per week. These contacts should prefereably be in the form of personal group meetings with the Congressman in his district office. It can also take the form of letters and phone calls to the local and Washington offices.

(d) Coordinating local advertising. Each Congressional district (or media market) should be given a budget for newspaper, radio and television ads, which will be at least partially the responsibility of local coordinators. For example, a newspaper ad featuring local supporters of our efforts would require the coordinator getting large numbers of signers.

(2) Public Relations - A two-track public relations effort should be undertaken. The first part would be a national effort focused primarily in opinion-making centers, such as New York, Washington, and Los Angeles. It would include a regular series of news conferences, news releases, actualities, editorial opinion pieces and other activities. Spokesmen for this effort should include contra leaders and victims of Nicaraguan atrocities. For example, we should attempt to get Pedro Chamovo, former editor of La Premza, before every editorial board possible and the National Press Club to scare the media. If we convince editors and reporters

Invite Stallo to briefing

that the Nicaraguan government is attacking their fellow media people, this will dramatically reduce media support for Nicaragua.

It is possible to hire a Hollywood personality or sports figure to head up this drive, similar to what Ronald Reagan did for General Electric. While this might be expensive, it could generate a great deal of favorable media coverage.

The second part of the public relations effort would be primarily focused on local in-district activities, such as petition drives, meetings, and any other ideas local groups generate. At the same time as national spokesmen circulate throughout the country, they will certainly be sent to these targeted congressional districts. It will be the responsibility of the local field director to schedule these spokesmen for high publicity events, local radio talk shows and television program speeches that will generate coverage and news conferences.

I recommend you retain a fulltime public relations person or a professional service to coordinate this activity.

(3) Lobbying - Principles of lobbying: start early, line up commitments and reinforce constantly until the vote occurs. Congressmen and legislative staff should be voting right, not purely based on the persuasiveness of our position, but on the real fear that if they break their word, they will pay a political price for doing so.

I suggest we set up such a sophisticated lobbying effort that the White House and Congressional leadership will be forced to rely on us for an accurate vote count. This would require four or five sharp lobbyists, plus each Congressional office would be contacted approximately every two weeks, and a personal relationwhip established with each legislative director. By establishing what each target vote is doing, we can adopt local lobbying efforts to each set of circumstances. For example, some Congressmen only need gentle persuasion, while others will need an outright threat of political exposure back home.

Baseball players - for celebrity

The idea of having a Henry Kissinger character is a good one, at least for one-to-one activities. His involvement will increase press credibility, and a meeting with him may sway a number of undecided Congressmen.

(4) Direct Mail - The level of direct mail should be determined after deciding the long-term plans of the campaign. If the interest is to stay in business after the next vote on contra aid, then a more aggressive direct mail effort should be considered.

Minimally, every targeted Congressional district should have a specialized direct mail effort meant to accomplish three things: generate lobbying contacts to the Congressman; encourage letters to the editor to generate press interest; and, recruit membership on each local committee.

Through a number of direct mail services, we can generate VIP lists in every Congressional district. These lists would include high-dollar contributors to the Congressmen, business, labor and media leaders. We would also want to get a list of conservative activists known for their willingness to call or write their Congressmen.

I would estimate these names to average 15,000 per Congressional district. They should be mailed three times. Smaller segments of the lists can be mailed more frequently.

(5) Advertising - The overall philosophy of advertising will change depending on the long-term plans of the program. If the intentions are to continue, I would recommend focusing more on direct response ads than on individual lobbying ads.

Direct response ads are generally educational and feature a toll-free number where viewers can call and receive information or volunteer their support. They need to be at least sixty seconds in length.

Standard lobbying ads would be focused toward individual Congressmen and would be "doughnut" commercials. Doughnut commercials are ads which have segments which can be changed to focus to each Congressman. This saves money, since you don't have to produce twenty entirely different messages.

Newspaper and radio ads should be primarily focused on individual targeted Congressmen. But the toll-free number should be featured whereever possible to get information into the public's hands. It is probable that we may want to consider "educational" newspaper ads in major markets to help set the agenda.

Advertising themes should be determined by a nationwide, public opinion poll.

It is important that each of these advertising programs be well coordinated with each other and with direct mail activities. This will maximize the amount of grassroots activities generated, and will increase the perception of the Congressman that he will have political problems if he votes wrong.

The success of educational ads will depend on the overall credibility of this program and the amount of money available to put them on the air. They will accomplish two things: First, they will frame the debate about Central America on our terms, not on the opposition's terms. For example, one commercial could emphasize the increased threat of nuclear war if we do not stop the Sandinistas. Second, it will provide a vehicle for people to get information. This will be a source of local volunteers and possible contributors.

(6) Staff Needs - Since this is a five month campaign, I recommend that as many functions as possible be performed by consulting agencies rather than fulltime staff. But there will be a need for certain staff members. These include:

(a) An Executive Director and secretarial support to coordinate and execute virtually all aspects of this campaign.

(b) Field staffers whose principle responsibilities would be to generate grassroots support in targeted Congressional districts.

(c) Lobbyists whose principle responsibilities would include establishing a vote count, lobbying, and Congressional staff briefings.

TARGET LIST

By reviewing the target list by Bozell & Jacobs, I see ninety targets. This is too many. My targeting list is based on their vote analysis, which I would like to review. The critical swing members would primarily be those who switched after the Ortega visit to Moscow, and those that should have. Target districts should also take into consideration media market size, vulnerability, and the intensity of the issue.

I believe the list can be cut back dramatically as lobbying intelligence tells us who we have to worry about. I do agree that special attention should be paid to the South for three reasons:

(1) These Congressmen are generally more conservative.

(2) The South will bear most of the burden of a refugee problem.

(3) A shockingly high number of these southern conservatives voted wrong.

Special attention should be given to liberal Republicans as well. For example, generation of a key primary against one or two of them would get a message to most of them.

I do recommend that the following be definitely considered on a super-target list:

1. Stallings - tough re-election; cheap media

2. McCloskey - tough re-election

3. Jones - running for Senate; moderate media costs

4. Wirth - running for Senate

5. Leach - liberal Republican; early primary, generate an opponent

6. Dorgan - running for Senate in 1986; cheap media

7. Daschle - running for Senate in 1986; cheap media

BUDGET

	Per Month	Five Months
FIELD OPERATIONS		
5 field directors @$1,800/mon.	$ 9,000	$ 45,000
Expenses	10,000	50,000
Polls (10 polls @$10,000)	20,000	100,000
TOTAL (Field Operations)	$ 39,000	$195,000
PUBLIC RELATIONS		
Consulting fees	$ 10,000	$ 50,000
Travel expenses	20,000	100,000
Paid Spokesman	25,000	125,000
*Polling expenses	10,000	50,000
TOTAL (Public Relations)	$ 65,000	$325,000
LOBBYING		
5 Lobbyists @$2,000/mon. each	$ 10,000	$ 50,000
Expenses and briefing costs	5,000	25,000
Outside lobbyist consulting fee	10,000	50,000
TOTAL (Lobbying)	$ 25,000	$125,000
DIRECT MAIL		
50 targeted Congr. districts (15,000 piece mailing/3 times)		$506,250

(Direct mail will generate 15-20% of cost, between $50,000 and $120,000)

(Budget continued on next page)

	Per Month	Five Months
ADVERTISING		
TV production		$ 20,000
Radio production		5,000
Newspaper production		5,000
TV time buys	$ 80,000	400,000
Radio time buys	35,500	175,500
Newspaper - 2/Congr. district		100,000
Newspaper - national ads		100,000
Direct response (costs, fulfillment)	10,000	50,000
TOTAL (advertising)	$ 125,500	$857,500
STAFF		
Executive Director	$ 2,500	$ 12,500
3 Secretaries @$1,500/mon.each	4,500	22,500
Office expenses	5,000	25,000
Legal consultant	5,000	25,000
Political consultant	3,000	15,000
TOTAL (staff)	$ 20,000	$100,000

SUMMARY OF TOTALS

Field Operations	$ 195,000
Public Relations	325,000
Lobbying	125,000
Direct Mail	506,250
Advertising	857,500
Staff	100,000
GRAND TOTAL	$2,108,750

CASH FLOW NEEDS

	Jan.	Feb.	March	April	May	TOTALS
Field Operations	$ 39,000	$ 39,000	$ 39,000	$ 39,000	$ 39,000	$195,000
Public Relations	65,000	65,000	65,000	65,000	65,000	325,000
Lobbying	25,000	25,000	25,000	25,000	25,000	125,000
Direct Mail	140,000	65,000	65,000	174,250	62,000	506,250
Advertising	150,000	155,000	150,000	297,000	105,500	857,500
Staff	20,000	20,000	20,000	20,000	20,000	100,000
TOTALS	$ 439,000	$369,000	$364,000	$620,250	$316,500	$2,108,750

SENTINEL
Advancing the Conservative Agenda

January 16, 1986

Mrs. Julius E. Pierce
[redacted]

Dear Mrs. Pierce:

Victory on this aid vote will go a very long way to, as you well say, save Ronald Reagan.

Please help us with the most generous grant you can afford.

This will probably be the most important grant you make for the rest of Ronald Reagan's presidency. We will be deeply appreciative for your generous contribution made payable to Sentinel in this emergency.

Sentinel is a lobbying group. I have enclosed a Sentinel return envelope for your convenience.

Sincerely yours,

Spitz Channell
President

CRC/ajd
Enclosure

1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004 202-662-8732

CENTRAL AMERICA FREEDOM FIGHTER EMERGENCY PROGRAM

February - March, 1987

Two events in the aproaching 7 months will decide the outcome of the struggle for Freedom in Central America.

In February, Congress will determine the release of the remaining $40 million of the 1986 Freedom Fighter Aid.

In October, the 1987 appropiation, if any, will be decided.

Both junctures are crucial to the hope for freedom in Nicaragua. If we lose these, the defeat will be permanent. We will never again have this chance to alter history and, communism will be firmly established on our mainland. Ronald Reagan's foreign policy will be ruined..

OBJECTIVES AND TACTICS:

Our number one priority is to see that Freedom Fighter Aid continues to flow uninterrupted to the Freedom Fighters. It is important for all of us to bear in mind that although the Sandinistas suposedly have overwhelming military power they have not yet been able to defeat our Freedom Fighters. The first task, it follows, is to insure the release of the remaining $40 million of the 1986 appropiation.

The three facets of this program (congressional lobbying, mass media, and grass roots mobilization), must be operating at full capacity in time for the February appropiations vote.

Despite press propaganda, President Reagan's policy of defending democracy in our own hemisphere has taken root in Congress. Few Congressman have expressed a change of opinion on this subject since our summer victory. We feel we have an excellent chance of winning again. Both houses most override the President in order to stop our help from reaching the Freedom Fighters. We do not believe this will happen if we act. And we believe that we have an excellent chance of ensuring that indeed this last $40 million of the first bill is released.

The philosophy behind this program is to aggregate our resources and focus them on the weakest points. Selected "swing-votes" in Congress will be targeted to ensure the accurate focus of the full force of our efforts. This is not a new strategy, it is however, a successful one.

What we propose is a multi-project offensive covering the areas of education, direct lobbying, and grass roots mobilization, to bombard the targets from all sides --but mostly within their own districts. Essentially, we are repeating our history making successful effort of last summer on a much smaller scale.

We know that one of the great challenges we, who support Freedom Fighter Aid, face is the incredible disinformation being dispersed by a vast nationwide network of 1500 grass roots organizations who openly support the Sandinista regime. It is important, if we are to reverse the lead taken by our opposition that we come out fighting on all fronts.

CONGRESSIONAL LOBBYING:

It is crucial to cap a successful program with a professional direct lobbying effort.

The lobbyists force the congressmen to look at the issue and what it means to their constituents. They also hold the vital function of "checking the pulse". They keep tabs on the connections between the administration and a particular Congressman, who believes what, who could be persuaded. Who is on the fence, and what it will take to bring him to our side.

This is an ongoing process, which we have continued non-stop since last year. It has guided our targeting of swing-votes and it has already been funded.

MASS MEDIA:

This program will feature two types of television advertising --educational (tax deductible), and motivational.

The American Conservative Foundation will sponsor educational television ads. These are designed to begin to counteract the pervasive disinformation found in newspapers, TV news programs, and circulating in church and civic groups in the communities.

Sentinel, our lobbying group, will sponser the motivational and action ads. These ads will ask the viewer to take specific action, phone his congressman, write to his newspaper, get involved with pushing the issue.

The mass media portion of this program will feature both television and newspaper advertising. Television ads will have a 5 x a day frequency, 5 days a week. Both 30 seconds and 1 minute spots will be employed.

Newspaper ads sponsored by both groups will echo these themes, will reinforce and expand the impact of the television messages.

Budget

T.V. time:		
-20 media markets for six weeks	.....	$720,000.00
-Washington, D.C. for six weeks	.....	180,000.00
Production Cost:		
Five television messages	.....	40,000.00
	TOTAL	$940,000.00

GRASS ROOTS MOBILIZATION:

Often times, it is not so much a matter of how many people you have on your cheering squad, but how loudly they yell. It is the function of this portion of the program to make sure our people are heard LOUD AND CLEAR.

The grass roots program will have the function of educating people and mobilizing them to act on those beliefs.

-Activist Network: We have access to a geographically dispersed pre-committed network which only lacks direction, updated information, and channels for their energy.

-Information Bureau: We will supply speakers, books, brochures, films, newsletters, etc., to active members of the network to reinforce their committment and aid in attracting their family, friends, and colleagues to the cause.

-Management Team: We will coordinate the network and ensure it has access to all needed resources.

MANAGEMENT TEAM:

Spitz Channell is a veteran of 3 separate Freedom Fighter Aid battles, a qualification few can match. In that time he has come to know what works, and what doesn't. And has put together an experienced and professional organization capable of handling all aspects of this program.

Rafael Flores is a native of Guatemala and fluent in both English and Spanish. He has been an important component of the two most recent victories of Freedom Fighter Aid.

Rafael has worked continuously with Spitz on this crucial vote and has organized many public policy campaigns during his career. He will coordinate the three arms of the program, making sure that the mass media, congressional lobbying, and grass roots efforts complement each other and act together with perfect timing.

Spitz Channell's political strategy and the organizational abilities of Rafael Flores will be complimented by the expertise of a Field Director, who will coordinate and supervise a team of eight experienced grass roots organizers (please bear in mind that we are essentially repeating our victory formula of last summer). In addition, 3 interns and 2 secretaries at a strategically located, Washington office, will be responsible for coordinating the information center and the speaker's bureau.

20 TARGET AREA BREAKDOWN COST THROUGH 15 MARCH 1987
- six weeks -

Field Organizers for 20 districts:

Texas - 2 1/2
Florida - 2
Tennessee - 1 1/2
North Carolina - 1
Kentucky - 1

Salaries + car, food and lodging for 6 weeks	$56,000.00

D.C. Coordinating Group:

Rafael Flores
Field Director
Secretaries (2)
Interns (3)

Salaries + office expenses for six weeks	14,300.00
TOTAL	$70,300.00

AMERICAN CONSERVATIVE TRUST

"Freedom Fighters TV"

National Spot Program

the robert goodman agency, inc.
3801 OLD COURT ROAD BALTIMORE MARYLAND 21208

the robert goodman agency, inc
2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

AMERICAN CONSERVATIVE TRUST

"Freedom Fighters TV"

National Spot Program

the robert goodman agency, inc.

AMERICAN CONSERVATIVE TRUST
"Freedom Fighters TV"
National Spot Program

I. SUMMARY

The purpose of this national television campaign is to reach those voters across the country whose incumbent Congressmen have shown (by virtue of their voting record) a lack of resolve and firm commitment on the issue of helping the Contras in Nicaragua.

Specifically, a list of these Congressman (and their home television markets) has been drafted on the basis of both their general voting record behavior and their position on three key votes on funding the "Freedom Fighters" taken in the Spring of 1985.

By design, this national television spot campaign will begin approximately six weeks before the first vote on Contra funding is taken in Congress (perhaps by the latter part of March). The relative size of the television buys in each of the targeted markets, as defined by Gross Rating Points, is as follows:

Week 1	250 GRPs
Week 2	250 "
Week 3	100 "
Week 4	100 "
Week 5	200 "
Week 6	300 "
	1200 GRPs

With approximately 1200 Gross Rating Points, voters in these targeted television markets would see ACT's "Freedom Fighters" spots an average of twelve times over the course of the six-week campaign. This will ensure that the message will get through to the voters and, ultimately, to the affected Congressmen themselves.

2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

II. SPOT PROGRAM OPTIONS

Three distinct placement options have been developed for this television campaign to provide the American Conservative Trust with some flexibility given the uncertainty of the ultimate level of funding for this project. They differ not in GRP strength but in the number of television markets (and Congressmen) covered.

A summary of these options, and their relative cost/coverage characteristics, is enclosed.

III. DEADLINES

As agreed, we are preparing to launch this ad campaign by mid-February. However, given the extraordinary amount of lead time needed to secure access and spot clearance on stations in the targeted markets, we need to reach some kind of consensus on the anticipated level of funding for this project by the end of January.

The three, 30-second spots planned for this six-week series (already drafted) can be finished within days of final copy approval.

----

the robert goodman agency, inc. TELEVISIO
2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

CLIENT: American Conservative Trust
PRODUCT:
JOB NO.:
DATE: 1/21/86

COMML. NO.: 86-330 30 (SECS)
TITLE "Choice"
PROGRAM:
AIR DATE

LIVE ☐
FILM ☐
TAPE ☐

VIDEO	AUDIO
Contra footage	Among the Contras of Nicaragua, each is a national, each a volunteer, each unpaid--yet they succeed as a dedicated force for the freedom of their country.
Sandinista footage, training exercise.	Across the lines: Nicaraguans forced to serve in a Sandinista army now repressing human and religious rights.
Squad responding to leader's shouts.	Trained, indoctrinated by Cuba and supplied with Soviet arms.
Helicopter into frame.	All of this
More helicopters.	two hours away where a government minister has stated: "Nicaragua will be the door we kick down to liberate the United States."
Graphic: NOW THAT WE KNOW... SUPPORT PRESIDENT REAGAN ON NICARAGUA Presented and paid for by The American Conservative Trust	The time for us to make a choice is ..right now.

the robert goodman agency, inc. **TELEVISION**
2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

CLIENT: American Conservative Trust
PRODUCT:
JOB NO.:
DATE: 1/21/86

COMML. NO.: 86-230 30 **(SECS)**
TITLE "While Not Aiding"
PROGRAM:
AIR DATE

LIVE ☐
FILM ☐
TAPE ☐

VIDEO	AUDIO
Helicopter rotors, pull back to see all of Mi-24 in training exercise.	Each day there are more of them. They are Cuban-supplied, Soviet-built Mi-24's. And they are here..
It lands.	in numbers...on our North American continent in Nicaragua. And with
Scenes of Managua.	the military infiltration, has also come the new repressive orders against church, and press and human rights betraying the people of Nicaragua.
Chopper scenes	And did this escalation of terror
Wipe to Contra footage	happen while we were aiding the military effort of the Contra freedom fighters?
Graphic: NOW THAT WE KNOW... SUPPORT PRESIDENT REAGAN ON NICARAGUA. A message sponsored and paid for by The American Conservative Trust	Hardly. It occured...when, and perhaps because....we were not.

the robert goodman agency, inc. TELEVISIO

2201 OLD COURT ROAD, BALTIMORE, MARYLAND 21208 (301) 286-5330

CLIENT: American Conservative Trust	**COMML. NO.:** 86-130 30 **(SECS)**	**LIVE** ☐
PRODUCT:	**TITLE** "No Wonder"	
JOB NO.:	**PROGRAM:**	**FILM** ☐
DATE: 1/21/86	**AIR DATE**	**TAPE** ☐

VIDEO	AUDIO
Series of dissolves, various views of Mi-24 helicopters participating in Sandinista training exercises.	VOICE OVER, HEAVY HELICOPTER SFX Here...is why President Reagan has been concerned all along about Nicaragua. Soviet-built Mi-24 helicopter gunships less than fourteen hundred miles from Houston. Arriving
Dissolve to Managuan street scenes showing faces of the people.	regularly from Cuba. And with them, the inevitable betrayal of the Nicaraguan people as the Sandinista government suspends human, religious and
Soft horizontal wipe to Contra footage.	democratic rights indefinitely. No wonder there is a Contra force of freedom fighting Nicaraguans.
Super graphic over:	The real wonder is that we argue about
NOW THAT WE KNOW...	supporting them.
SUPPORT PRESIDENT REAGAN ON NICARAGUA.	
A message sponsored and paid for by The American Conservative Trust	

the robert goodman agency, inc.

AMERICAN CONSERVATIVE TRUST

"Freedom Fighters TV"

National Spot Program

Placement Option

OPTION I.

MIAMI, FLORIDA

Affected Congressmen: Dante Fascell (D - 19th CD)
Claude Pepper (D - 18th CD)
Larry Smith (R - 16th CD)
E. Clay Shaw, Jr. (R - 15th CD)
William Lehman (D - 17th CD)
Dan Mica (D - 14th CD)

1200 GRPs - $138,000.

WASHINGTON, DC

Affected Congressmen: ALL

1200 GRPs - $125,000.

HARTFORD/NEW HAVEN, CONNECTICUT

Affected Congressmen: Nancy Johnson (R - 6th CD)
Barbara Kennelly (D - 1st CD)
Sam Gejdensen (D - 2nd CD)
Bruce Morrison (D - 3rd CD)
John Rowland (R - 5th CD)

1200 GRPs - $ 99,000.

ORLANDO, FLORIDA

Affected Congressmen: Buddy Mackay (D - 6th CD)
Bill Chappell Jr. (D - 4th CD)
Bill McCollum (R - 5th CD)
Bill Nelson (D - 11th CD)
Andy Ireland (R - 10th CD)

1200 GRPs - $ 60,000.

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AMERICAN CONSERVATIVE TRUST
"Freedom Fighters TV"

Page Two

SAN ANTONIO, TEXAS

Affected Congressmen:
Kika De La Garza (D - 15th CD)
Al Bustamante (D - 23rd CD)
J.J. Pickle (D - 10th CD)
Henry B. Gonzalez (D - 20th CD)
Tom Loeffler (R - 21st CD)
Mac Sweeney (R - 14th CD)

1200 GRPs - $ 54,000.

NASHVILLE, TENNESSEE

Affected Congressmen:
Bart Gordon (D - 6th CD)
Jim Cooper (D - 4th CD)
Ed Jones (D - 8th CD)
Carroll Hubbard, Jr. (D - 1st CD KY)
William H. Natcher (D - 2nd CD KY)
Harold Rogers (R - 5th CD KY)
Bill Boner (D - 5th CD)
Don Sundquist (R - 7th CD)

1200 GRPs - $ 51,000.

RALEIGH/DURHAM, NORTH CAROLINA

Affected Congressmen:
Charles Whitley (D - 3rd CD)
Bill Hefner (D - 8th CD)
Tim Valentine (D - 2nd CD)
Bill Cobey (R - 4th CD)
Howard Coble (R - 6th CD)
Charlie Rose (D - 7th CD)

1200 GRPs - $ 50,000.

GREENVILLE/SPARTANBURG, SOUTH CAROLINA
ASHEVILLE, NORTH CAROLINA

Affected Congressmen:
Butler Derrick (D - 3rd CD SC)
John Spratt (D - 5th CD SC)
Carroll A. Campbell, Jr. (R - 4th CD SC)
Bill Hendon (R - 11th CD NC)
Ed Jenkins (D - 9th CD GA)
Doug Barnard, Jr. (D - 10th CD GA)

1200 GRPs - $ 41,000.

AMERICAN CONSERVATIVE TRUST
"Freedom Fighters TV"

Page Three

JACKSONVILLE, FLORIDA

Affected Congressmen:
Charles Bennett (D - 3rd CD)
Buddy MacKay (D - 6th CD)
Don Fuqua (D - 2nd CD)
Bill Chappell, Jr. (D - 4th CD)
Robert Lindsay Thomas (D - 1st CD GA)
J. Roy Rowland (D - 8th CD GA)

1200 GRPs - $ 41,000.

LOUISVILLE, KENTUCKY

Affected Congressmen:
Romano Mazzoli (D - 3rd CD)
Lee H. Hamilton (D - 9th CD IND)
William D. Natcher (D - 2nd CD)
Gene Snyder (R - 4th CD)
Larry J. Hopkins (R - 6th CD)

1200 GRPs - $ 37,000.

AUSTIN, TEXAS

Affected Congressmen:
J.J. Pickle (D - 10th CD)
Marvin Leath (D - 11th CD)
Mac Sweeney (R - 14th CD)
Tom Loeffler (R - 21st CD)

1200 GRPs - $ 35,000.

KNOXVILLE, TENNESSEE

Affected Congressmen:
Jim Cooper (D - 4th CD)
Harold Rogers (R - 5th CD KY)
James H. Quillen (R - 1st CD)
John J. Duncan (R - 2nd CD)
Marilyn Lloyd (D - 3rd CD)

1200 GRPs - $ 33,000.

EL PASO, TEXAS

Affected Congressmen: Ron Coleman (D - 16th CD)

1200 GRPs - $ 20,000.

AMERICAN CONSERVATIVE TRUST
"Freedom Fighters TV"

Page Four

McALLEN/BROWNSVILLE, TEXAS

Affected Congressmen:
Kika De La Garza (D - 15th CD)
Solomon P. Ortiz (D - 27th CD)

1200 GRPs - $ 14,000.

COLUMBUS/TUPELO, MISSISSIPPI

Affected Congressmen:
Jamie Whitten (D - 1st CD)
Webb Franklin (R - 2nd CD)
G.V. Sonny Montgomery (D - 3rd CD)

1200 GRPs - $ 12,000.

OPTION I. TOTALS: $ 810,000.

59 Congressmen

OPTION TWO II.

All of the markets covered in Option I, with the following additions:

PITTSBURGH, PENNSYLVANIA

Affected Congressmen:
John Murtha (D - 12th CD)
Alan Mollohan (D - 1st CD WVA)
William Clinger (R - 23rd CD)
Thomas Ridge (R - 21st CD)
Joe Kolter (D - 4th CD)
William J. Coyne (D - 14th CD)
Doug Walgren (D - 18th CD)
Joseph M. Gaydos (D - 20th CD)
Austin J. Murphy (D - 22nd CD)

1200 GRPs - $ 91,000.

the robert goodman agency, inc.

AMERICAN CONSERVATIVE TRUST
"Freedom Fighters TV"

Page Five

OKLAHOMA CITY, OKLAHOMA

Affected Congressmen: Wes Watkins (D - 3rd CD)
David McCurdy (D - 4th CD)
Mickey Edwards (R - 5th CD)
Glenn English (D - 6th CD)
Mike Synar (D - 2nd CD)

1200 GRPs - $ 44,000.

TULSA, OKLAHOMA

Affected Congressmen: Jim Jones (D - 1st CD)
Wes Watkins (D - 3rd CD)
Mike Synar (D - 2nd CD)
Mickey Edwards (R - 5th CD)

1200 GRPs - $ 33,000.

LITTLE ROCK, ARKANSAS

Affected Congressmen: Tommy F. Robinson (D - 2nd CD)
Bill Alexander (D - 1st CD)
John Paul Hammerschmidt (R - 3rd CD)
Beryl Anthony, Jr. (D - 4th CD)

1200 GRPs - $ 33,000.

OPTION II. TOTALS: $ 1,011,000.

78 Congressmen

OPTION III.

All of the markets covered in Option I and Option II, with the following additions:

ST. LOUIS, MISSOURI

Affected Congressmen: Melvin Price (D - 21st CD ILL)
William L. Clay (D - 1st CD)
Robert A. Young (D - 2nd CD)
Richard A. Gephardt (D - 3rd CD)

AMERICAN CONSERVATIVE TRUST
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ST. LOUIS, MISSOURI (Continued)

Affected Congressmen:
Bill Emerson (R - 8th CD)
Harold L. Volkmer (D - 9th CD)
Richard J. Durbin (D - 20th CD ILL)
Kenneth J. Gray (D - 22nd CD ILL)

1200 GRPs - $ 74,000.

MILWAUKEE, WISCONSIN

Affected Congressmen:
Les Aspin (D - 1st CD)
Robert W. Kastenmeier (D - 2nd CD)
Gerald D. Kleczka (D - 4th CD)
Jim Moody (D - 5th CD)
Thomas E. Petri (R - 6th CD)
F. James Sensenbrenner (R - 9th CD)

1200 GRPs - $ 59,000.

CINCINNATI, OHIO

Affected Congressmen:
Bill Gradison (R - 2nd CD)
Thomas A. Luken (D - 1st CD)
Bob McEwen (R - 6th CD)
Thomas N. Kindness (R - 8th CD)
Lee H. Hamilton (D - 9th CD IND)
Gene Snyder (R - 4th CD KY)
Larry J. Hopkins (R - 6th CD KY)
Carl C. Perkins (D - 7th CD KY)

1200 GRPs - $ 52,000.

ROCHESTER, NEW YORK

Affected Congressmen:
Frank Horton (R - 29th CD)
Fred J. Eckert (R - 30th CD)
Jack F. Kemp (R - 31st CD)
John J. LaFalce (D - 32nd CD)

1200 GRPs - $ 35,000.

AMERICAN CONSERVATIVE TRUST
"Freedom Fighters TV"

Page Seven

ALBUQUERQUE, NEW MEXICO

Affected Congressmen:
Bill Richardson (D - 3rd CD)
Mike Strang (R - 3rd CD CO)
Manuel Lujan, Jr. (R - 1st CD)
Joe Skeen (R - 2nd CD)

1200 GRPs - $ 33,000.

SYRACUSE, NEW YORK

Affected Congressmen:
Frank Horton (R - 29th CD)
Sherwood Boehlert (R - 25th CD)
George C. Wortley (R - 27th CD)

1200 GRPs - $ 31,000.

MEMPHIS, TENNESSEE

Affected Congressmen:
Ed Jones (D - 8th CD)
Jamie Whitten (D - 1st CD MS)
Bill Alexander (D - 1st CD AR)
Harold E. Ford (D - 9th CD)
Don Sundquist (R - 7th CD)

1200 GRPs - $ 31,000.

WILKES BARRE/SCRANTON, PENNSYLVANIA

Affected Congressmen:
Paul Kanjorski (D - 11th CD)
William Clinger (R - 23rd CD)
Joseph M. McDade (R - 10th CD)

1200 GRPs - $ 31,000.

BANGOR, MAINE

Affected Congressmen:
Olympia Snowe (R - 2nd CD)
John McKernan (R - 1st CD)

1200 GRPs - $ 28,000.

PORTLAND/POLAND SPRINGS, MAINE

Affected Congressmen:
John McKernan (R - 1st CD)
Olympia Snowe (R - 2nd CD)

1200 GRPs - $ 24,000.

JOHNSTOWN/ALTOONA, PENNSYLVANIA

Affected Congressmen: Bud Shuster (R - 9th CD)

1200 GRPs - $ 17,000.

WHEELING, WEST VIRGINIA
STEUBENVILLE, OHIO

Affected Congressmen: Alan Mollohan (D - 1st CD WVA)
Douglas Applegate (D - 1st CD OH)

1200 GRPs - $ 16,000.

ERIE, PENNSYLVANIA

Affected Congressmen: Thomas Ridge (R - 21st CD)
William Clinger (R - 23rd CD)

1200 GRPs - $ 12,000.

CLARKSBURG/WESTON, WEST VIRGINIA

Affected Congressmen: Alan Mollohan (D - 1st CD)
Harley O. Staggers, Jr. (D - 2nd CD)
Bob Wise (D - 3rd CD)

1200 GRPs - $ 9,000.

IDAHO FALLS/POCATELLO, IDAHO

Affected Congressmen: Richard Stallings (D - 2nd CD)

1200 GRPs - $ 9,000.

OPTION III. TOTALS: $ 1,472,000.

117 Congressmen

PLAN OF ACTION TO LOBBY CONGRESSS ON MILITARY AID FOR THE NICARAGUAN RESISTANCE

Military aid for the Nicaraguan resistance will be won or lost in the Democratic party, won or lost in the House of Representatives. Our principal effort will be to work with Democrats and the Administration to find the winning coalition. Our hope is to maintain the large majority in the House supporting aid to the resistance that was forged last Spring. Only that kind of strong bipartisan support will sustain a policy that has so many determined opponents in the American political system.

who is we principal

Our specific tasks will be the following:

1. First and foremost and continuously through this process, we will maintain contact with the Democrats and Republicans who forged the winning coalition last Spring. We will also look for the emergence and try to develop new leaders on the issue.

how frequently

2. We will identify the themes that are driving the debate at the national level, e.g. human rights, Contadora, the role of the Cubans, Nicaragua's interference in other countries. We will break this down in terms of the themes of greatest concern to the 40-70 swing votes and the themes used by the opponents of aid.

3. We will periodically produce an assessment of how the identified swings are likely to vote and to the extent posssible what forces are active in their districts (see no. 8 below)

What.

4. We will maintain continous liason with the Administration.

5. We will take the members of the UNO Directorate and other Nicaraguans to the hill in order to raise the level of knowledge of what UNO is trying to accomplish.

⑥. Weekly updates (summary) of activities, status and gains verbal and on paper.

Prepared by Bruce P. Cameron January 24, 1986

⑦ Statement of organization within NEPL Sentinel and under IBC.

⑧ Regular billing (?) Breakdown of billing?

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mary:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Dr. Mary Adamkiewicz
[redacted]
Milford, DE 19963

THE WHITE HOUSE
WASHINGTON

CENTRAL AMERICA BRIEFING
FOR THE AMERICAN CONSERVATIVE TRUST AND THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

January 30, 1986, 2:30 p.m. -- The Roosevelt Room

* * *

2:30 p.m.	Welcome -- Linas Kojelis, Special Assistant to the President for Public Liaison
	Remarks -- Linda Chavez, Deputy Assistant to the President for Public Liaison
	"Central American Overview: An Update" -- Elliott Abrams, Assistant Secretary of State for Latin America
3:15 p.m.	Remarks -- The President
	"Report on Nicaragua" -- Oliver North, Deputy Director, Political-Military Affairs, National Security Council

* * *

THE WHITE HOUSE
WASHINGTON

ISSUES AND RESOURCES BRIEFING
ON CENTRAL AMERICA

January 31, 1986, Noon -- Room 450 EOB

* * * * *

12:00 Noon	Welcome -- Linas Kojelis, Special Assistant to the President for Public Liaison
	"Nicaragua: An Update" -- Oliver North, Deputy Director of Political Military Affairs, National Security Council
12:45 p.m.	"Central American Overview: An Update" -- John Blacken, Coordinator (Acting) of Public Diplomacy for Latin America and the Caribbean, Department of State
	Presentation of Resources -- Steve Johnson, Office of Public Diplomacy for Latin America and the Caribbean, Department of State

* * * * *

Daniel J. Edelman, Inc. 1730 Pennsylvania avenue, N.W. Washington, D.C. 20006 phone 202. 393 1300
telex 440-215
telecopier 202. 737 5488

EDELMAN

public relations

February 5, 1986

Mr. Dan Conrad
Executive Director
National Endowment for
the Preservation of Liberty
305 4th Street, N.E.
Washington, D.C. 20002

Dear Dan:

We are pleased to confirm the arrangement under which we will be serving as public relations counsel to the National Endowment for the Preservation of Liberty effective February 6, 1986.

The agreement is for the period of February 6, 1986 through April 15, 1986.

In accordance with this letter of agreement, we shall exert our best efforts in pursuing such courses of action designed to best serve your interests in the field of public relations.

You agree to pay our firm, as compensation for our professional services, a personnel fee of $15,000.00 for the months of February and March, and a personnel fee of $7,500.00 for the month of April, and payable within the month. It is also agreed that you will reimburse us for expenses and disbursements directly incurred and paid by us in the performance of the public relations services. There will be a standard 17.65% service charge on these expenses which have been prepaid by our firm in your behalf. All invoices are due and to be paid within 30 days after the date of the invoice.

The fee for professional services covers activities in the United States only. If the program entails services of our foreign offices or affiliates, there will be an additional time charge for such services.

You agree to indemnify and save us harmless from and against all liability including all actions, claims, damages, costs, and attorneys fees, which we may incur (or to which we may be a party), arising out of actions taken or statements made by us at your direction or based upon information provided by you.

Chicago Dallas Houston Los Angeles Miami New York St. Louis San Francisco Washington
Buenos Aires Dublin Frankfurt Hong Kong Kuala Lumpur London Singapore Tokyo

Mr. Dan Conrad
February 5, 1986
Page 2

It is understood that you shall not, whether directly or indirectly, employ, hire, or retain, and that you shall not recommend to others the employment, hiring or retention of, as an employee, agent, independent contractor or otherwise, any person employed by us for one year following the termination of the arrangement.

We are pleased to have this opportunity of being of service and assure you that we will extend every effort to make the program extremely productive for you.

Please sign both copies of this letter, retaining the original for your files and returning the copy to us.

Sincerely,

Stephen K. Cook
Executive Vice President
FOR DANIEL J. EDELMAN, INC.

SKC:alo

ACCEPTED:

FOR: THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

M&F
Miner and Fraser Public Affairs Inc

February 26, 1986

Mr. Spitz Channel
President
National Endowment for the
Preservation of Liberty
305 4th Street, NE - Suite 210
Washington, D.C. 20002

Dear Mr. Channel:

It is with great pleasure that I submit this agreement to assist the initiative to gain legislative clearance for $100 million to support the aid package for the Nicaraguan Freedom Fighters. I have promised to give my personal time.

Our mutual agreement is to work for three weeks at $5,000 per week, plus expenses which will be billed at cost.

We commend the initiative that was undertaken to date including the magnificent fundraising job.

I. MISSION:
To network with organizations -- national and grassroots with a goal to influence targeted Congressional votes. We understand you have revised the target list and we will receive it within 48 hours. The initial list of priorities you gave us is 32 Democrats and 33 Republicans. Your list of House members who voted against the $14 million in military aid on April 23, 1985 and who voted in favor of $27 million in humanitarian aid on June 12, 1985. This is an excellent list. Though these congressmen are primarily located in the southeast part of the United States, that is particularly true of the Democratic list you gave us, not of the Republicans.

The listing we received by states would be our targets for congressional letters. Our mission is concentrating on letters from the district to the targeted Congressmen. As your priority targets changes, we will be informed. We realize there may be other opportunities. These include group/Individuals willing to go to their local media, "walk-ins" and other activities at the local level -- to influence specific congressional votes.

NIC:01 1250 Eye Street, N.W. Washington DC 20005 (202) 371-1515

II. **MATERIALS:**
It will be extremely important to prepare simple materials very quickly, including model statements for letters. Thank you for the materials you provided. The arguments presented enunciate fully the particular arguments about communism, persecution and aggression against the Church by the Sandinista government. We have also pulled together data on numbers and construction, of refugees, primarily women and children, military build ups and the exploration of revolution to surrounding countries, further exasperating the stability of the region.

III. **TIMETABLE:**
We do not know the precise timetable. We understand the effort could last longer than three weeks. You have asked us to concentrate the activities on the idea of a three week initiative. This agreement shall only be in effect for three weeks.

IV. **NUMBERS TO BE GENERATED:**
Our understanding is that nothing is more important than results. No matter how many groups we talk to, the only important point is RESULTS. In our initial chart, the projection is for ~~90,000~~ letters. We will better know after we complete the first week and give you that analysis of our accomplishments. Already we have tentative commitments from approximately ten major groups. That is significant. Note the following timetable:

A) Weeks 1, 2 and 3:

1. Identify and make initial calls to relevant grassroots groups:
   - Women
   - Military
   - Conservative
   - Religion (if possible)
   - Other
2. Prepare the required materials
   - receive commitments
   - distribute materials
3. Phone follow-up (where necessary) and personal visits to the national liaisons. Make calls where needed to build on additional groups if necessary. Make local calls.
   - Prepare report that shows activity with the minimum of 15 groups and hopefully the target project of the ~~100,000~~ letters at the minimum.
4. Continue to make contacts. Follow-up in the areas.
   - Feed in results from phone calls and visits (if necessary on a daily basis to Dan).
   - Provide report at the end of the three weeks, full-blown of what our understanding is of what has been accomplished for all targeted districts by each group which participated.

25,000 letters

V. GROUPS:
We have provided you an initial list of groups (and keep adding).

These groups naturally break down into categories. The attached list should prove helpful. We are breaking out individual assignments. For example, I personally will concentrate on the women's groups and some of the military groups we got to know during our activities with the armed services; Hispanic groups; some of the conservative groups.

VI. BUDGET:
The total budget that we propose comes to $15,000 or $5,000 per week, plus expenses, not to exceed $3,500.

What follows is an estimated breakdown of time and expenses. The expenses are:

Materials & Reproduction	$ 500
Telephone	300
Messenger	450
Taxi & Transportation	70
Miner & Fraser postage	200
	$ 1,520

NOTE:
Vouchers at cost will be submitted for everything.

We do not cover postage for outside groups. We would like to have this considered on a case by case basis.

I commit the following:

- You will have a weekly progress report of groups who have been contacted, commitments made by each and expectation of results.
- The follow-up activity will be spelled out. You will have a projection of what congressional districts they have taken and the number of letters projected as well as the expected follow-up accordingly.
- All of this "results-oriented" approach will be reflected in our weekly reports.

VIII. MANAGEMENT OF THE PROJECT:
Dan Conrad will be in charge of the project from your vantage point and review our weekly progress report. You will also review them and give us any specific feedback. On our side, I will be solely responsible.

IX. A SPECIAL NOTE:
Both parties insist on "low visibility". We must maintain a low-key stance and both parties, in fact, insist on it.

X. SHORT TERM FOCUS:
This agreement covers the period beginning February 26, 1986 and terminating March 19, 1986. Any continuation of this agreement must be negotiated (as stated on page 2 during the fifth week of the contract). Again we emphasize the short-term focus and the need to prove results. All understand that.

XI. OTHER:
All materials, data and information that is prepared or originated by M&F and performance of the services during this agreement in support of the legislation for the aid will become your exclusive property. M&F will not have the right to use, reproduce or disclose these materials without your permission.

XII. PAYMENT:
The first $5,000 will be submitted upon signature of agreement, the second $5,000 will be given on March 5th and the last $5,000 will be submitted on completion of the 3rd Week, March 19th, of which we will submit the final report. The expense bill will be submitted with voucher for payment the week of March 24, 1986.

XIII. CONCLUSION:
This project stands as signed.

Sincerely,

Carl Channel, President
NEPL

Edie Fraser
Edie Fraser, President
Miner & Fraser Public Affairs, Inc.

Accepted on FEBRUARY 26, 1986

CC: THOMAS H. MINER

PRODEMCA
FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
729 15TH STREET, N.W., SUITE 950, WASHINGTON, D.C. 20005 202/347-1006

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COALITION FOR DEMOCRATIC MAJORITY
ELIE WIESEL
AUTHOR
DENISE O'LEARY
EXECUTIVE DIRECTOR

*Member of the Executive Committee
(All affiliations are for identification
purposes only)

March 4, 1986

MEMORANDUM

TO: Dan Conrad
National Endowment for the Preservation of Liberty

FROM: Penn Kemble

1) I have attached a statement in support of U.S. military assistance to the Nicaraguan resistance and a preliminary list of endorsers. PRODEMCA would like to publish this a full-page advertisement in the daily Washington Post, and distribute glossy reprints to a number of political and civic leaders.

I have attached a budget. In the event that the Endowment was able to handle graphic design and typesetting the costs would be reduced by the amounts specified. It might also be possible to find a friendly advertising agent -- I know of one if you do not -- who would rebate the customary 10% commission to the organization.

Daily full page Ad, Washington Post	$30,360
Typesetting & design (approximate)	$ 2,000
Reprinting ad, oversize on cloy paper 1,000 copies	$ 750
Postage and messenger service for ad circulation	$ 250
TOTAL	$33,360

A nonprofit, nonpartisan educational organization formed by private citizens who support democracy, human rights and social justice in Central America.

2. If -- an important if -- a broad and distinquished group of sponsors can be found to hold an emergency conference on Nicaraguan aid during the next few weeks, such a conference could give symbolic witness to the fact that, despite many differences within it, there in fact is a natural majority in the U.S. Congress for military assistance. Such a conference, for example, could be sponsored by Senator Richard Lugar, Congressman Dave McCurdy and Jack Joyce of the Bricklayers Union. It would bring into public focus the fact that this important national interest is being obstructed by narrowly partisan, shortsighted political tactics, especially in the House of Representatives.

Such a conference would draw primarily from the Washington political community. The basic costs would involve hotel meals, invitations and honoria.

Staff costs		$2,000
Conference Coordinator (2 weeks)	$1,500	
Secretary	$ 500	
Telegram Invitations to 1000		$2,500
Hotel luncheon for 200 @ $30.00		$6,000
Miscellaneous Handout materials, photographer, Taping, transciption, distribution		$1,500
TOTAL		**$12,000**

3. Young leaders delegation from Nicaragua.

Few in the U.S. have been exposed to the most attractive aspect of the Nicaraguan resistance; the idealistic young people who have joined the effort to free their homeland. In the camps of the resistance one encounters young doctors, lawyers, teachers and other professionals who could not possibly be associated with the Somoza era, and who speak eloquently (in English) about their own efforts in the resistance struggle. If -- another critical if — sponsors in the U.S. could open doors to the media for these people could be persuaded to do so, they could make a very major impact here. It would be well worth bringing three of them here in the next few weeks.

Round trip air fare @ $700 x 3	$2,100
Hotel - 4 days @ $125 x 3	$1,500
Staff assistance in U.S.	$ 500
TOTAL	**$4,100**

March 19, 1986

To: Dan Conrad, Sentinel

From: Eric Singer, Center for Democracy in the Americas

Re: Projections on tomorrow's vote in the House.

DEMOCRATS

For

*+Erdreich(AL-6)
+Robinson(AR-2)
Bennett(FL-3)
*Mica(FL-14)
**Smith(FL-16)
**Pepper(FL-18)
**Fascell(FL-19)
+Skelton(MO-4)
Watkins(OK-3)
**English(OK-6)
+*Tallon(SC-6)
+Gordon(TN-6)
**Boner(TN-5)
**Hall(TX-4)
**Ortiz(TX-27)
*Leath(TX-11)
+*Stenholm(TX-17)
**Sisisky(VA-4)

Against

Fuqua(FL-2)
MacKay(FL-6)
*Rowland(GA-8)
*Barnard(GA-10)
Stallings(ID-2)
Price(IL-21)
Richardson(NM-3)
Whitley(NC-3)
Hefner(NC-8
McCurdy(OK-4)
Kanjorski(PA-11)
Derrick(SC-3)
Spratt(SC-5)
+Lloyd(TN-3) (announced)
Cooper(TN-4)
Pickle(TX-10)
Coleman(TX-16)
Bustamante(TX-23)
Aspin(WI-1)

Undecided

**Thomas(GA-1)
**Hatcher(GA-2)
Heftel(HI-1)
Mazzoli(KY-3)
Long(LA-8)
Whitten(MS-1)
Biaggi(NY-19)
Jones(OK-1)
Jones(TN-8)
de la Garza(TX-15)
Andrews(TX-25)
Mollohan(WV-1)

---

*Member who voted for $14 million last April but who publicaly expressed reservations on the President's bill this March.

**Member who voted for military aid last April, but included on the recommendation of Dan Kuykendall.

+Member has signed Skelton Letter, which would leave President's legislative proposal intact.

REPUBLICANS

For

Jim Kolbe(AZ-5)
Ed Zschau(CA-12)

Fawell(IL-13)
Madigan(IL-15)
Martin(IL-16)
Tauke(IA-2)
Hopkins(KY-6)
Bereuter(NE-1)
Smith(NE-3)
Gregg(NH-2)
Rinaldo(NJ-7)
Gilman(NY-22)
Smith(OR-2)
McDade(PA-10)
Roukema(NJ-5)

Against

McKinney(CT-4)
McKernan(ME-1)
Snowe(ME-2)
Frenzel(MN-3)
Horton(NY-29)
Gradison(OH-2)
Ridge(PA-21)
Rowland(CT-5)

Undecided

Meyers(KS-3)
Davis(MI-11)

Fish(NY-21)
Regula(OH-16)
Clinger(PA-23)
Morrison(WA-4)
Chandler(WA-8)
Gunderson(WI-3)
Goodling(PA-19)

My vote count as of March 19, 1985: 200-212, with 21 undecided votes.*

* On April 23, 1985 vote on $14 million military aid was defeated, 180-248. Six members not counted in the vote were, with their positions noted here: Badham, Byron (signer of Skelton letter), Vanderjact, and Daniel-- all in favor; and Rodino,McCloskey -- both against. The baseline count thus becomes 184-249 (O'Neil will vote only if there's a tie and one "no" vote, Addabo's, is comatose.) Then subtract from those voting in favor the seven "military aid" signers of the Slattery letter and two military aid proponents now against the President's bill (Rowland and Barnard). The tentative figure becomes 175-258. Adding 25 new votes for aid and then subtracting the 21 "undecided" (see list) leaves a figure of 200 in favor, 212 against.

CENTER FOR DEMOCRACY IN THE AMERICAS

720 15th Street, NW • Suite 940 • Washington, DC 20005 • (202)347-338.

Penn Kemble
chairman

Bruce Cameron
president

March 19, 1986

To: Dan Conrad
From: Bruce P. Cameron
Re: Activities Report, March 15-March 19

Date	Activities/Meetings
3/14	Congressman Rod Chandler
3/16	Meeting with Rod Chandler's staff, who, working with the Administration, subsequently put together a draft Executive Order as the basis for a possible compromise. On 3/14 Chandler estimated it would bring 8 Republicans on board.
3/17	Meeting with Chandler's staffr Meeting with Skelton's staff (Tommy Glakas) Meeting with Arturo Cruz re: his scheduled meeting with McCurdy 3/19 E. Singer debates Bill Schapp of Covert Action on WBAI, New York, 7:15 - 8:00 p.m.
3/18	Talked with seven members who attended the bipartisan meeting of Democrats and Repubs. to work on a compromise. Spoke to the Roosevelt Club: Reps. McKewen, Weber, McCain, and Siljander. Spoke at CSIS (Georgetown) meeting. with five members present on th danger of Soviet/Cuban presence on American mainland, progress of UNO refoem, to rebut Edgar Chamorro

CENTER FOR DEMOCRACY IN THE AMERICAS
720 15th Street, NW • Suite 940 • Washington, DC 20005 • (202)347-3383

Penn Kemble
chairman

Bruce Cameron
president

Date	Activities/Meetings
3/19	Took Robelo and Cruz to final meeting with McCurdy before vote At this point, McCurdy is trying to get an early vote on **his compromise.** If the speaker acquieses, he will vote against the President's package and oppose the Executive Order. Meeting with Arturo Cruz. Singer finishes op-ed with Roberto Ferrey to appear in LA Times tomorrow. Copies of piece will be distributed to members before the vote. E. Singer worked with Steve Cochran of Budddy Roemer's office (D-LA) to send out a "Dear Colleague" letter with Fred Barnes' piece on the contras attached.

MCI Mail The nation's new

March 21, 1986

Angela J. Davis
[redacted]
Washington, D.C. 20002

DEAR

WE THOUGHT YOU WOULD LIKE TO KNOW THE NAMES OF CONGRESSMEN WHO ARE MEMBERS OF THE PRESIDENT'S PARTY WHO VOTED AGAINST THE MILITARY AND HUMANITARIAN AID FOR THE NICARAGUAN FREEDOM FIGHTERS. LISTED BELOW ARE THOSE REPUBLICANS WHO VOTED AGAINST THE PRESIDENT AND AGAINST FREEDOM:

CONGRESSMAN BOEHLERT (R - NY)
CONGRESSMAN CONTE (R - MA)
CONGRESSMAN FRENZEL (R - MN)
CONGRESSMAN GREEN (R - NY)
CONGRESSMAN HOPKINS (R - KY)
CONGRESSMAN HORTON (R - NY)
CONGRESSMAN JEFFERS (R - VT)
CONGRESSMAN LEACH (R - IA)
CONGRESSMAN LIGHTFOOT (R - IA)
CONGRESSMAN MCKINNEY (R - CT)
CONGRESSMAN RIDGE (R - PA)
CONGRESSMAN ROLAND (R - CT)
CONGRESSMAN SCHNEIDER (R - RI)
CONGRESSMAN SNOW (R - MA)
CONGRESSMAN TAUKE (R - IA)
CONGRESSMAN WYLIE (R - OH)

SINCERELY YOURS,

THE AMERICAN CONSERVATIVE TRUST (ACT)
SPITZ CHANNELL, PRESIDENT
F. CLIFTON SMITH, TREASURER

the robert goodman agency

2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

March 31, 1986

Mr. Spitz Channell
NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY
305 4th Street, N.E.
Washington, D.C.

Dear Spitz:

Congratulations.

The National Endowment's television campaign in support of the Nicaraguan "freedom fighters" not only has all of official Washington talking, but has broken new ground in the area of public policy advocacy.

By using creative television messages to educate and enlighten elected officials in Washington, and their constituents back home, N.E.P.L. has established new precedents for affecting Congressional attitudes on pending legislation. Better yet, through its efforts on the Contra aid issue, N.E.P.L. has now become a major player in the critical arena of American foreign policy.

As you recall, we began with one clear objective: winning Congressional approval of the President's $100-million aid request for Nicaraguan Contras fighting the forces of communist Sandinistas for control of their homeland. Further, we designed an overall strategy predicated on the simple premise: Americans, and their elected representatives, when properly informed, will not only stand up for what is right but will fight for it.

Given the United States Senate's recent approval of a Contra funding bill, and clear signs that the House of Representatives will soon follow suit, we feel the National Endowment's ambitious program will achieve its ultimate objective.

By design, we launched the four-week national television ad campaign in Washington, DC, in late February. This reflected the economy of reaching all 435 Members of the House (and 100 United States Senators) in one sitting. Beginning with Week 2, and running through the first decisive House vote in late March, we also aired spot commercials in 23

Mr. Spitz Channell
March 31, 1986
Page Two

additional television markets across the country.

These targeted markets, covering the home Districts of nearly thirty Congressmen experts considered to be at the core of the key "swing vote" on Contra funding, added scope and credibility to the ad campaign. In fact, N.E.P.L.'s national television spot series was ultimately seen by more than 33 million people, or one out of every seven Americans.

More impressively, this head count doesn't even include the tens of millions of Americans who saw, and/or read about, our spots courtesy of the national press and network television (this alone was worth an estimated $5-10 million in free publicity for N.E.P.L. and the President's Contra aid program).

As your creative advisors and producers, we are extremely gratified by the great reviews N.E.P.L.'s spot commercials received from the White House, the national press corps, and the American public.

By way of summary, N.E.P.L. produced seven commercials for the national ad campaign designed to dramatize facts and information which have a direct bearing on the whole issue of continued American aid to the freedom fighters. A brief description of these television spot productions follows:

"Terrorist Influence" -- A graphic illustration of the growing influence of Libya's Muammar Kaddafi and other terrorist groups in Nicaragua today

"Refugees" -- A profile of the displacement and persecution of Nicaraguans under the Sandinista communists (one out of every six Nicaraguans is now a refugee)

"Facts" -- Religious persecution is documented through the real stories of burned-out synagogues, expelled priests, and tortured evangelicals under the Sandinista regime

Mr. Spitz Channell
March 31, 1986
Page Three

"Helicopters" -- A visceral and ominous display of continuing Soviet military aid to the Sandinistas...Dramatic footage of Soviet-made helicopter gunships has made this spot the centerpiece of N.E.P.L.'s national ad campaign

"They Are Us" -- A more personal portrayal of the freedom fighters and displaced Nicaraguans linked to Americans and our nation's commitment to freedom

"Tip's Shame" -- This 10-second commercial documented a statement made by House Speaker O'Neill, stating in part: "It would be a disaster and a shame for our country" to support the freedom fighters..."since when have Americans been ashamed to stand up for freedom?"

"Letter" -- A dramatization of a future time when an American soldier writes to his folks before being sent off to fight in Nicaragua...An Orwellian warning of what could happen should the Congress deny the cause of the Contras today

Concerning the actual placement of spots, N.E.P.L. aired these commercials, cumulatively, over 1100 times in Washington and the other targeted television markets. In terms of message frequency, this meant that the average viewer saw our freedom fighter spots at least five times over the course of the campaign (in Washington, this average was nearly doubled).

N.E.P.L.'s national television campaign achieved one more important thing: it influenced votes.

For example, N.E.P.L. advertised in four of Florida's biggest television markets, covering the home Districts of 16 Congressmen. On the final House vote on Contra funding in late March, 14 of the 16 Congressman sided with the President in support of the freedom fighters. This is dramatic considering many of these Congressmen were considered to be on that "swing vote" list mentioned above.

the robert goodman agency, inc.

The results were even more impressive in markets like Jackson (MS) and Savannah (GA) where our success rate on the final vote tally hit 100%!

As you know, the national television campaign didn't end with our close defeat in the House in late March. We went back on the air in Washington, DC immediately after the House vote to both ensure our success with the Senate vote on Contra funding, and to continue our effort to persuade the House to approve the same in mid-April. When Congress recessed for the Easter break, we went back on the air in several of the key markets as well, putting those particular Congressmen on notice that the Contra debate was far from over.

We will conclude this phase of our freedom fighters television campaign with a final week blitz in Washington, during which we'll air two or three of the most effective spots of the campaign.

We are very optimistic about our chances of winning the next House vote scheduled for April 15th, and how this reflects on the importance of N.E.P.L.'s efforts over the past year.

More importantly, we would like to commend and congratulate the people who have unselfishly donated their time and their financial resources to the program. I can't begin to tell you how dramatic an impact these private citizens have had on strengthening America's resolve to support freedom and democracy wherever it exists in the world.

No one forced your contributors to become involved. They did so simply because they believe that the things that have made America great and respected by all -- liberty, democracy, the free pursuit of happiness -- are things worth fighting for.

We agree, and to that end are proud to have been a part of the effort to support those ideals in Nicaragua.

All the best!

Sincerely,

Adam Goodman
Media/Political Director

Carl Russell Channell
2112 Belmont Road N.W.
Washington, D.C. 20008

April 15, 1986

Mr. Richard Miller
[redacted]
Washington, DC 20036

Dear Rich:

As promised, the final House votes to decide the fate of freedom in Nicaragua are today (April 15) being taken.

With the House acting on the President's request for the last time, the usefulness of our Central American Freedom Program comes to an end. The program has been tremendously successful. It has made a significant national and international impact for good. Most important, it has remained true and steadfast to Ronald Reagan's goals to extend freedom wherever possible.

You, as Program Director, have executed your multiple leadership responsibilities with the highest degree of professional excellence. You are a gifted and unique leader. The team of IBC staff and subcontractors you assembled to carry out specific aspects of the Central American Freedom Program is also worthy of great admiration and appreciation from everyone supportive of the President's goal.

Last week I began to notify our subcontractors and consultants that all Sentinel financial arrangements with them would be terminated on April 15. Please call the following businesses/individuals and notify them that the program has ended and restate that all financial arrangements between Sentinel and them are terminated as of tonight. Your follow-up call will ensure that we have contacted everyone.

Please convey my sincere thanks to everyone. Tell them that I will personally contact them about future projects. Everyone involved in the Central American Freedom Program will shortly receive a heartfelt personal thank you from me.

Please call:

Marty Artiano
Steve Cook
David Fischer
Edie Fraser
Bob and Adam Goodman
Dan Kuykendall
Jaçk Lichenstein
Penn Kemble
UNO office.

I cannot express to you my appreciation for the incredible contribution you have made in support of freedom. Thank you for being instrumental in making this program a success.

Very sincerely,

Spitz Channell
President
Sentinel

CENTRAL AMERICAN FREEDOM PROGRAM BRIEFING

1. Mr. Ricardo Capote
2. Mr. Carl Russell Channell
3 Miss. Jacqueline M. Clemons
4. Mr. Daniel Lynn Conrad
5. Miss Angela Joy Davis
6. Mr. Robert Driscoll
7. Mr. Searcy Ferguson
8. Mr. Francis D. Gomez
9. Miss Fawn Hall
10. Mr. Hugh Ellis Ledbetter, II
11. Mr. Kris S. Littledale
12. Miss Jane E. McLaughlin
13. Mr. Richard R. Miller
14. Colonel Oliver North
15. Mr. F. Clifton Smith
16. Mr. Earl E. T. Smith
17. Mr. Edwin L. Weisl, Jr.
18. Mr. Roger Wilkins

NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

303 FOURTH ST. N.E.
SUITE 1000
WASHINGTON D.C. 20002

STATEMENT OF NET ASSETS
APRIL 30, 1986
(CONSOLIDATED)

ASSETS

CASH AND MARKETABLE SECURITIES	
PALMER NAT'L (REGULAR)	$ 4,971.52
PALMER NAT'L (SPECIAL #1)	68,280.11
PALMER NAT'L (SPECIAL #2)	271,299.78
PALMER NAT'L (FUTURE OF FREEDOM)	32,610.41
HUTTON (REGULAR)	17,198.44
HUTTON (SPECIAL #1)	10,664.00
HUTTON (SPECIAL #2)	1,708,570.15
IRVING TRUST	5,000.00
PALMER CERTIFICATE	10,573.25
GERBER PRODUCTS STOCK	326,801.25
TOTAL CASH AND MARKETABLE SECURITIES	2,455,968.91
ACCOUNTS AND NOTES RECEIVABLE	
AFFILIATES	16,012.50
EMPLOYEE ADVANCE	400.00
NOTE RECEIVABLE (CRC)	65,678.90
TOTAL RECEIVABLES	82,091.40
FIXED ASSETS	
FURNITURE AND EQUIPMENT	58,332.87
LEASEHOLD IMPROVEMENTS	1,261.00
TOTAL FIXED ASSETS	59,593.87
PREPAID SERVICE CONTRACTS	3,019.92
TOTAL ASSETS	2,600,674.10
PAYROLL TAXES PAYABLE	(34,996.45)
NET ASSETS AVAILABLE	$ 2,565,677.55

STATEMENT OF CHANGES IN NET ASSETS
FOR THE MONTH ENDING APRIL 30, 1986

CONTRIBUTIONS	$ 1,990,990.00
OTHER INCOME	31,043.15
TOTAL ADDITIONS	2,022,033.15
PROJECT EXPENDITURES	545,054.75
DIRECT FUNDRAISING EXPENSES	14,617.91
ADMINISTRATIVE COSTS	123,233.66
TOTAL DEDUCTIONS	682,906.32
NET INCREASE (DECREASE) IN NET ASSETS	1,339,126.83
NET ASSETS AVAILABLE AT BEGINNING OF PERIOD	1,226,550.82
NET ASSETS AVAILABLE AT END OF PERIOD	$ 2,565,677.65

NATIONAL ENDOWMENT FOR
THE PRESERVATION OF LIBERTY
(CONSOLIDATED)

STATEMENT OF OPERATIONS
1986

	JANUARY	FEBRUARY	MARCH	APRIL	Y-T-D TOTALS
CONTRIBUTIONS	467,715.00	432,835.40	2,117,108.08	1,990,990.00	5,008,648.48
INTEREST INCOME	63.93	799.45	1,325.20	756.39	2,945.97
DIVIDEND INCOME	3,677.06	(42.06)	49,644.98	1,305.39	54,585.37
UNREALIZED GAIN/(LOSS)	(7,435.03)	(53,400.00)	20,145.00	36,984.37	(3,705.66)
				(8,003.00)	(8,003.00)
TOTAL ADDITIONS	464,020.96	380,192.79	2,188,224.26	2,022,033.15	5,054,471.16
DISBURSEMENTS					
PROJECTS					
IRC	505,000.00	222,606.84	988,000.00	299,977.00	2,015,583.84
GOODMAN		134,307.57	491,053.18	92,510.86	717,871.61
PRUDENCA			12,740.00	11,450.07	24,190.07
EDELMAN			42,000.00	31,116.82	73,116.82
OTHER	13,300.00	15,100.00	42,500.00	10,000.00	80,900.00
				100,000.00	100,000.00
TOTAL PROJECTS	518,300.00	372,014.41	1,576,293.18	545,054.75	3,011,662.34
FUNDRAISING					
DIRECT	2,428.91	5,151.61	29,795.09	264.23	37,639.84
TRAVEL	8,843.06	15,204.61	4,133.00	14,353.68	42,534.35
LOCAL TRANSPORT (CABS)			135.00	0.00	135.00
LOCAL TRANSPORT (LIMO)			3,230.38	0.00	3,230.38
TOTAL FUNDRAISING	11,271.97	20,356.22	37,293.47	14,617.91	83,539.57
ADMINISTRATIVE					
ACCOUNTING FEES	7,000.00	4,200.00	4,200.00	4,500.00	19,900.00
BANK CHARGES	82.18	69.00	168.00	72.64	391.82
BROKERAGE FEES			3,956.15	0.00	3,956.15
COURIER SERVICE	322.38	2,117.15	2,136.34	2,556.17	7,132.04
EQUIPMENT RENTAL	587.33	2,247.38	3,712.07	1,436.74	7,983.52
FICA EMPLOYER	3,510.64	3,496.28	1,351.28	1,188.75	9,546.95
GROSS SALARIES	49,100.00	59,899.00	28,899.00	61,135.75	199,033.75
INSURANCE	47.00	726.50	803.60	570.02	2,147.12
LEGAL FEES	2,337.03	5,569.02	1,167.25	828.00	9,901.30
MAINTENANCE	380.00	570.00	760.00	950.00	2,660.00
MISCELLANEOUS	3,982.90	235.50	769.01	(1,311.15)	3,676.26
OFFICE SUPPLIES	281.78	649.22	1,341.50	974.22	3,246.72
OTHER PAYROLL TAXES			766.42	1,246.14	2,012.56
OUTSIDE CONSULTANTS	12,000.00	13,275.00	7,735.00	38,015.00	71,029.00
PHOTOCOPYING		393.16	956.67	0.00	1,349.83
POSTAGE	158.40		443.99	163.27	765.66
PRINTING	71.97	5,360.41	59.93	170.50	5,662.81
PUBLIC RELATIONS	10,682.43	3,852.35		4,148.93	18,683.71
PUBLICATIONS	211.10	1,828.35	327.65	1,165.25	3,532.35
RENT	7,725.00	1,425.00	1,425.00	0.00	10,575.00
TELEPHONE	2,257.45	1,555.89	2,663.55	2,331.33	8,808.22
TEMPORARY HELP				381.50	381.50
TRANSPORTATION LIMO		1,869.02		1,600.65	3,469.67
TRANSPORTATION LOCAL		75.00		755.94	830.94
TRANSPORTATION CAR LEASE			621.34	0.00	621.34
UTILITIES		383.84	177.76	108.80	670.40
				845.21	845.21
					0.00
TOTAL ADMINISTRATIVE	100,737.59	109,801.07	64,441.51	123,233.66	398,213.83 /
TOTAL DISBURSEMENTS	630,309.56	502,171.70	1,678,028.16	682,906.32	3,493,415.74
NET CHANGE TO FUND BALANCE	(166,288.60)	(121,978.91)	510,196.10	1,339,126.83	1,561,055.42

SORT: BANK ACCOUNT

APRIL CONTRIBUTIONS SORTED BY: BANK ACCOUNT

DATE	CONTRIBUTOR	SOLICITOR	PROJECT	ACCOUNT	AMOUNT		
	DEERE & CO. 1000 SHRS	SPITZ		NTTN 82	34,250.00	@MKT 04/30	34
	RYL DUTCH PETE 5000 SHRS	SPITZ		NTTN 82	378,125.00	@MKT 04/30	75
	SUN CO 2496 SHRS	SPITZ		NTTN 82	114,192.00	@MKT 04/30	45
	PENNZOIL 2450 SHRS	SPITZ		NTTN 82	119,437.00	@MKT 04/30	48
	EXXON CORP 8850 SHRS	SPITZ		NTTN 82	501,131.00	@MKT 04/30	56
					1,147,135.00		
APRIL 28	DARLINGTON	CLIFF	ATAC-SET	MADISON-SET	5,000.00		
APRIL 28	WEISL	KRIS	ATAC-SET	MADISON-SET	1,000.00		
					6,000.00		
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00		
APRIL 4	LIDDELL	JANE	CRFP	PATTON	1,000.00		
APRIL 7	FERGUSON	JANE	CRFP	PATTON	5,000.00		
APRIL 7	KING	CLIFF	CRFP	PATTON	150,000.00		
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00		
APRIL 9	GIDDENS	KRIS	TOYS	PATTON	32,500.00		
APRIL 16	GARWOOD	SPITZ	TOYS	PATTON	470,000.00		
APRIL 21	CABALLERO	JANE	CRFP	PATTON	300.00		
APRIL 21	HARRIS	DIR/MAIL	CRFP	PATTON	100.00		
APRIL 22	CLAGETT	KRIS	CRFP	PATTON	5,000.00		
APRIL 23	DRISCOLL	CLIFF	CRFP	PATTON	15,000.00		
APRIL 24	LEDBETTER	CLIFF	CRFP	PATTON	5,000.00		
					814,900.00		
APRIL 2	ELI S. JACOBS	JANE	CRFP	BROKER	1,000.00		
APRIL 2	US INT'L CONTAINER	JANE	CRFP	BROKER	250.00		
APRIL 14	MARTINEZ	JANE	CRFP	BROKER	450.00		
APRIL 14	NUNN	CLIFF	CRFP	BROKER	2,000.00		
APRIL 14	CHARTS	JANE	CRFP	BROKER	250.00		
APRIL 17	SOLMASSER	KRIS	CRFP	BROKER	20,000.00		
APRIL 17	FERGUSON	JANE	CRFP	BROKER	5,000.00		
APRIL 28	KNECHT	DIR/MAIL	CRFP	BROKER	5.00		
					28,955.00		
APRIL 14	SPITZ	SPITZ	FED-ACT	ACT-FED	350.00		
APRIL 14	CK. 02158	CLIFF	FED-ACT	ACT-FED	100.00		
APRIL 14	CLIFF	CLIFF	FED-ACT	ACT-FED	5,000.00		
APRIL 21	GRIFFITH	CLIFF	FED-ACT	ACT-FED	100.00		
					5,550.00		
APRIL 7	KNECHT	DIRECT MAIL	CRFP	SENTINEL	5.00		
APRIL TOTAL					2,002,545.00		

SORT BY: SOLICITOR
APRIL CONTRIBUTIONS

SORT BY: SOLICITOR

DATE	CONTRIBUTOR	SOLICITOR	PROJECT	ACCOUNT	AMOUNT		
APRIL 28	BURLINGTON	CLIFF	ATAC-REF	MADISON-REF	5,000.00		
APRIL 7	KING	CLIFF	CAFP	PATTON	150,000.00		
APRIL 14	DUNN	CLIFF	CAFP	BACHER	2,000.00		
APRIL 21	GRIFFITH	CLIFF	CAFP	ACT-FED	100.00		
APRIL 23	DRISCOLL	CLIFF	CAFP	PATTON	15,000.00		
APRIL 24	LEDBETTER	CLIFF	CAFP	PATTON	5,000.00		
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00		
APRIL 14	CHK# 2158	CLIFF	ACT-FED	ACT-FED	100.00		
APRIL 14	CLIFF SMITH	CLIFF	ACT-FED	ACT-FED	5,000.00		
					183,200.00		
APRIL 28	KNECHT	DIRECT MAIL	CAFP	BACHER	5.00		
APRIL 7	KNECHT	DIRECT MAIL	CAFP	SENTINEL	5.00		
APRIL 21	HARRIS	DIRECT MAIL	CAFP	PATTON	100.00		
					110.00		
APRIL 2	US INT'L CONTAINER	JANE	CAFP	BACHER	250.00		
APRIL 2	ELI S. JACOBS	JANE	CAFP	BACHER	1,000.00		
APRIL 4	LIDDELL	JANE	CAFP	PATTON	1,000.00		
APRIL 7	FERGUSON	JANE	CAFP	PATTON	5,000.00		
APRIL 14	MARTINEZ	JANE	CAFP	BACHER	450.00		
APRIL 14	CHARTS	JANE	CAFP	BACHER	250.00		
APRIL 17	FERGUSON	JANE	CAFP	BACHER	5,000.00		
APRIL 21	CABALLERO	JANE	CAFP	PATTON	300.00		
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00		
					143,250.00		
APRIL 28	WEISL	KRIS	ATAC	MADISON	1,000.00		
APRIL 17	SALWASSER	KRIS	CAFP	BACHER	20,000.00		
APRIL 22	CLABBETT	KRIS	CAFP	PATTON	5,000.00		
APRIL 9	GIDDENS	KRIS	TOYS	PATTON	32,500.00		
					58,500.00		
APRIL 14	CARL R. CHANNELL	SPITZ	ACT-FED	ACT-FED	350.00		
APRIL 16	GARWOOD	SPITZ	TOYS	PATTON	470,000.00		
	DEERE & CO. 1000 SHRS	SPITZ		MTTN #2	34,250.00	OBKT 04/30	34
	EXXON CORP 8850 SHRS	SPITZ		MTTN #2	501,131.00	OBKT 04/30	56
	PENNZOIL 2450 SHRS	SPITZ		MTTN #2	119,437.00	OBKT 04/30	48
	RYL DUTCH PETE 5000 SHRS	SPITZ		MTTN #2	378,125.00	OBKT 04/30	75
	SUN CO 2496 SHRS	SPITZ		MTTN #2	114,192.00	OBKT 04/30	45
					1,617,485.00		
APRIL TOTAL					2,002,545.00		

SORT BY: PROJECT
APRIL CONTRIBUTIONS

SORT BY: PROJECT

DATE	CONTRIBUTOR	SOLICITOR	PROJECT	ACCOUNT	AMOUNT		
APRIL 28	DARLINGTON	CLIFF	ATAC-BET	MADISON-BET	5,000.00		
APRIL 28	WEISL	KRIS	ATAC-BET	MADISON-BET	1,000.00		
					6,000.00		
APRIL 2	US INT'L CONTAINER	JANE	CRFP	BACHER	250.00		
APRIL 2	ELI S. JACOBS	JANE	CRFP	BACHER	1,000.00		
APRIL 4	LIDDELL	JANE	CRFP	PATTON	1,000.00		
APRIL 7	KING	CLIFF	CRFP	PATTON	150,000.00		
APRIL 7	FERGUSON	JANE	CRFP	PATTON	5,000.00		
APRIL 7	KOELMT	DIRECT MAIL	CRFP	SENTINEL	5.00		
APRIL 14	CHARTS	JANE	CRFP	BACHER	250.00		
APRIL 14	DUNN	CLIFF	CRFP	BACHER	2,000.00		
APRIL 14	MARTINEZ	JANE	CRFP	BACHER	450.00		
APRIL 17	SALWASSER	KRIS	CRFP	BACHER	20,000.00		
APRIL 17	FERGUSON	JANE	CRFP	BACHER	5,000.00		
APRIL 21	HARRIS	DIRECT MAIL	CRFP	PATTON	100.00		
APRIL 21	CABALLERO	JANE	CRFP	PATTON	300.00		
APRIL 22	CLAGGETT	KRIS	CRFP	PATTON	5,000.00		
APRIL 23	DRISCOLL	CLIFF	CRFP	PATTON	15,000.00		
APRIL 24	LEDBETTER	CLIFF	CRFP	PATTON	5,000.00		
APRIL 28	KNECHT	DIR/MAIL	CRFP	BACHER	5.00		
					210,360.00		
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00		
APRIL 9	GIDDENS	KRIS	TOYS	PATTON	32,500.00		
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00		
APRIL 16	GARWOOD	SPITZ	TOYS	PATTON	470,000.00		
					633,500.00		
	RYL DUTCH PETE 5000 SHRS	SPITZ		NTTN 02	578,125.00	OBKT 04/30	75
	SUN CO 2496 SHRS	SPITZ		NTTN 02	114,192.00	OBKT 04/30	45
	PENZOIL 2450 SHRS	SPITZ		NTTN 02	119,437.00	OBKT 04/30	48
	EXXON CORP 6850 SHRS	SPITZ		NTTN 02	301,131.00	OBKT 04/30	56
	DEERE & CO. 1000 SHRS	SPITZ		NTTN 02	34,250.00	OBKT 04/30	34
					1,147,135.00		
APRIL 14	F. CLIFTON SMITH	CLIFF	ACT-FED	ACT-FED	5,000.00		
APRIL 14	CHK. 02158	CLIFF	ACT-FED	ACT-FED	100.00		
APRIL 14	CARL R. CHANNELL	SPITZ	ACT-FED	ACT-FED	250.00		
APRIL 21	GRIFFITH	CLIFF	ACT-FED	ACT-FED	100.00		
					5,550.00		
APRIL TOTAL					2,002,545.00		

SORT BY: DATE/ORIGINAL ENTRY
APRIL TOTAL CONTRIBUTIONS: ALL ORGANIZATIONS

DATE	CONTRIBUTOR	SOLICITOR	PROJECT	BANK ACCOUNT	AMOUNT		
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00		
APRIL 2	US INT'L CONTAINER	JANE	CAFP	BACHER	250.00		
APRIL 2	ELI S. JACOBS	JANE	CAFP	BACHER	1,000.00		
APRIL 4	LIDDELL/CORAL FDNTN TEXS	JANE	CAFP	BACHER	1,000.00		
APRIL 7	KING	CLIFF	CAFP	PATTON	150,000.00		
APRIL 7	FERGUSON	JANE	CAFP	PATTON	5,000.00		
APRIL 7	KNECHT	DIRECT MAIL	CAFP	SENTINEL	5.00		
APRIL 9	GIDDENS	KRIS	TOYS	PATTON	32,500.00		
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00		
APRIL 14	CHARTS	JANE	CAFP	BACHER	250.00		
APRIL 14	MARTINEZ	JANE	CAFP	BACHER	450.00		
APRIL 14	NUNN	CLIFF	CAFP	BACHER	2,000.00		
APRIL 14	CK. 02158	CLIFF	FED-ACT	ACT-FED	100.00		
APRIL 14	CLIFF	CLIFF	FED-ACT	ACT-FED	5,000.00		
APRIL 14	SPITZ	SPITZ	FED-ACT	ACT-FED	350.00		
APRIL 16	GARWOOD	SPITZ	TOYS	PATTON	470,000.00		
APRIL 17	FERGUSON	JANE	CAFP	BACHER	5,000.00		
APRIL 17	BALWASSER	KRIS	CAFP	BACHER	20,000.00		
APRIL 21	HARRIS	DIRECT MAIL	CAFP	PATTON	100.00		
APRIL 21	CABALLERO	JANE	CAFP	PATTON	300.00		
APRIL 21	GRIFFITH	CLIFF	CAFP	ACT-FED	100.00		
APRIL 22	CLAGGETT	KRIS	CAFP	PATTON	5,000.00		
APRIL 23	DRISCOLL	CLIFF	CAFP	PATTON	15,000.00		
APRIL 24	LEDBETTER	CLIFF	CAFP	PATTON	5,000.00		
APRIL 28	DARLINGTON	CLIFF	ATAC	MADISON	5,000.00		
APRIL 28	WEISL	KRIS	ATAC	MADISON	1,000.00		
APRIL 28	KNECHT	DIR/MAIL	CAFP	BACHER	5.00		
	DEERE & CO. 1000 SHRS	SPITZ		HTTN 02	34,250.00	DRKT 04/30	34
	EXXON CORP 8850 SHRS	SPITZ		HTTN 02	501,131.00	DRKT 04/30	56
	PENZOIL 2450 SHRS	SPITZ		HTTN 02	119,437.00	DRKT 04/30	48
	RYL DUTCH PETE 5000 SHRS	SPITZ		HTTN 02	378,125.00	DRKT 04/30	75
	SUN CO 2496 SHRS	SPITZ		HTTN 02	114,192.00	DRKT 04/30	45
APRIL TOTAL					2,002,545.00		

KUYKENDALL COMPANY

May 5, 1986

Mr. Dan Conrad, Executive Director
National Endowment for the Preservation of Liberty
305 4th Street, NE
Washington, D. C. 20002

Dear Mr. Conrad:

As per our agreement please consider this letter as an invoice for consulting, research, and resource information from the Gulf and Caribbean Foundation. Please forward your contribution of $5,000 to my attention at the following address:

Gulf & Caribbean Foundation
P. O. Box 40841
Washington, D. C. 20016

This sum covers our advisory and consulting contribution to the CONTRA Aid effort for the remainder of 1986.

Very truly yours,

Dan Kuykendall

Dan Kuykendall

DK:lp

517 3rd Street, S.E. • Washington, D.C. 20003 • 202/546-2196

C H 041499

Fund Raisers Meeting-May 23, 1986

Ronald Reagan received over sixty percent of the vote. But we are to do is use that as one of the keys. Don't forget this is not a election campaign. This is an influence campaign. You are seeking to influence people to support the President's full funding needs and a key element of this influence is education. As to the threat the Communist pose if is not funded correctly. We may have an opportunity to move a lot of this into an election position. For instance we are in the process right now of finding out what are the contested races in those districts where the President got over sixty percent of the vote. What the position of the incumbent is as well as the challenger. If the incumbent is week on SDI and the challenger is strong on SDI and the voting population strong on SDI our saturation educational ads cannot but help Republican challenge. So when these people give us $30,000.00 and our ads cost $35,000.00 day around the country they are in many districts literally giving a political contribution to support President Reagan's congressional candidates. They are giving us $30,000.00 to support a challenger candidate in these districts. That is an incredible incentive for these people to give. Because we are picking the issue that is popular with the population, an issue that is popular with the President in an area where the congressman may not be supporting the President as much as the people want, being that it is an election year by hyping this issue and bringing it up and highlighting the fact by implication that the challenger supports this issue. We are really going to be giving a $30,000.00 plus contribution to these challenger candidates. Now, you might say that to someone who is a political freak and they'll go hm, never thought you could do that and the answer to that is look Mr. Jones this woman is trying to sell cookies in Reno she doesn't to many people she can't get her message out. If you put a message on television talking about how good chocolate chip cookies are general and saturate it, these people are going to start connecting her, the person who makes them with the desire to have them and you are definitely going to help her business. This is an incredibly subtle political benefit to every single Republican challenger and I don't know how you say this without getting burned on the telephone, but you can just say I want to tell you what another way to look at this whole campaign. We are taking an issue that the American people support. We are advancing this issue in congressional districts where the American people strongly support the President and encouraging that incumbent to support the President. If that incumbent doesnot support the President, what is actually going to happen is the challenger candidate is going to benefit imeasurely from our activities because the challenger position and the population position are become well known to each other through the medium of our television message. On the other hand the fact that we are hyping this issue and the incumbent doesnot support the President will definitely highlight the difference between the incumbent and his constituents. This is an incredible political benefit to every single Republican running for office. It is essentially a $30,000.00 contribution to these challengers' campaign with the finest issue that Ronald Reagan has in the country today. So there are many people who love politics and this is a very good way to appeal to them. It is also tax deductible and they don't have to stop. There are four districts in the state of Texas where there are four media markets where we want this. These people can give $120,000.00 if they want to hype this issue in those districts. We have a fabulous election opportunity in Louisiana. I don't know what the position of the two people is, your book should tell you. But we have an incredible opportunity because the people of Louisiana are extremely supportive of the President. We might want to spend a million dollars on education in Louisiana. Then get the challenger to come after the primary is over in September whenever it is and say that one the reasons why he won is because of the vast strong support of President Reagan's SDI and that will make the Democratic Party go wild. It will strength the President's SDI tremedously, so there are inumerable benefits from this program and people can understand that they are getting politically on the strongest issue the President has in areas where the people support him to expose incumbents positions against their constituents. You have got a very strong political ad right here and you have not mentioned meeting with the President of the U.S. once. You are virtually insuring that SDI is going to become a major issue in the campaign. Which is the strongest of the President's suits, strongest of the Republican Party's suit, it is security, it is family, it is national defense.

(You just can't call them up and say you are going to give this money and this going to be a political contribution. You don't start that way. You know there are two sides to every person, you can look in the front or the back, the same person. But the impact of saying to someone like Harry Lucas, Barbara Newington or Ellen Garwood or Mel Salwasser, or Salvatori or inumerable political crazys is that we are going to give you an opportunity to give $30,000.00 tax deductible political contribution and we want to tell you how to do it. I mean they may say oh I am not going to do that, but they will listen. They will be very curious and then when you talk about the fact that this is where the President's residual strength is, this is where the battles are, this is where we have the greatest opportunity to win and this amounts to a $30,000.00 political contribution. You don't have to stop there. We can carry our messages right on through the election and you can deduct every penny you pay for it.)

FUNDRAISERS MEETING - MAY 23, 1986

Ronald Reagan received over sixty percent of the vote. We must use this as one of the keys. Don't forget this is not an election campaign. This is an influence campaign.

You are seeking to influence people to support for the President's full funding needs and a key element of this influence is education as to the threat the Communists pose if it is not funded correctly.

We may have an opportunity to move a lot of this into an election position. For instance, we are in the process right now of finding out what are the contested races in those districts where the President got over sixty percent of the vote, what the position of the incumbent is, as well as the challenger.

If the incumbent is weak on SDI and the challenger is strong on SDI and the voting population strong on SDI our saturation educational ads cannot but help the Republican challenger.

So when these people give us $30,000.00 and our ads cost $35,000.00 a day around the country they are in many districts literally giving a political contribution to support President Reagan's congressional candidates.

They are giving us $30,000.00 to support a challenger candidate in these districts. This is an incredible incentive for people to give.

We are picking an issue that is popular with the population. An issue that is popular with the President in an area where the congressman may not be supporting the President as much as the people want.

And being that it is an election year, we can hype the issue and it will become known (implied) who is supporting this issue - the incumbent or the challenger. We are really going to be giving a $30,000.00+ contribution to the challenger candidates.

Now, you might say this to someone who is a political freak and they'll never have thought you could do that. And the answer to that is, "Look Mr. Jones, there is a woman trying to sell cookies in Reno but she isn't getting her message out to many people. If you put a message on television talking about how good chocolate chip cookies are in general and saturate it, people are going to start connecting her, the person who makes them, with the desire to have them and you are definitely going to help her business."

So there are innumerable benefits from this program and people can understand that they are getting politically on the strongest issue the President has in areas where the people support him to expose incumbents positions against their constituents.

You have got a very strong political ad right here and you have not mentioned meeting with the President of the U.S. once. You are virtually insuring that SDI is going to become a major issue in the campaign, which is the strongest of the President's suits, strongest of the Republican Party's suit, it is security, it is family, it is national defense.

You just can't call them up and say they are going to give this money and it is going to be a political contribution. You don't start that way. You know there are two sides to every person, you can look in the front or the back, the same person.

Using this approach on someone like Harry Lucas, Barbara Newington, Ellen Garwood, Mel Salwasser, Salvatori or innumerable political crazies will have an incredible impact.

We are going to give them an opportunity to give a $30,000.00 tax deductible political contribution and we want to tell them how to do it. I mean they may say, "Oh, I am not going to do that", but they will listen. They will be very curious.

Then you talk about the fact that this is where the President's residual strength is, this is where the battles are, this is where we have the greatest opportunity to win and this amounts to a $30,000.00 political contribution.

And they don't have to stop there. We can carry our messages right on through the election and they can deduct every penny along the way.

Now there is something else you want to look at when you call people, especially in the new South. Check your map to see if we have congressional districts in their state, Texas as an example.

But you can see we don't call them congressional districts, we call them media markets, where interestingly enough your congressman will hear all this media. This is the political component to this issue, which if you say it correctly is absolutely dynamite.

I'll tell you something, you're not going to get much success with this regretably before the meeting with the President.

But if you call about the first of October and start talking about these ads staying on to support these candidates, amounts to a $30,000.00 political expenditure. We may make ten million dollars in October. We may be doing this whole issue at the wrong time.

RESPONSE TO "I GET CALLED SO OFTEN FOR CONTRIBUTIONS"

There are 230 million people in this country. 103 million of these people are potential voters. (Eighteen years and older). Roughly 3,000 of those 103 million people give $5,000 or more to bring about political change in one way or another. That's about three thousandth of a percent.

That makes you a rare commodity, Mr. Jones. You are in demand becuase you're one of few needles in a sky high haystack.

You are part of that three thousandth percent who care enough about the future of American democracy and the policies of our government to be generous and contribute to the direction of our nation. This is why you're called so frequently.

People look for other people to help solve a problem. People search you out seeking your support to help solve problems. The American political system is no different. It is very natural that your support would be sought to help solve political problems.

You are a very blessed individual that you do have the sense enough to participate and that you have been blessed with the finances to be able to participate.

Lichtenstein & Company

Communications Strategies, Programs and Materials

23 May 1986

MEMORANDUM FOR SPITZ CHANNELL
FROM: JACK LICHTENSTEIN
SUBJECT: CONGRESSIONAL SURVEYS ON CONTRA AID VOTE

Of 75 members I had targeted in our grassroots constituent correspondence campaign in support of the President's aid request, I followed up with 51 offices, a 67 percent survey. Twenty-one were contacted by telephone, 30 in personal visits.

Thirty-five of the offices contacted cooperated. Some flatly refused to discuss their constituent communications or this issue.

Salient points from the 35 who cooperated:

1. Many said they frequently hear from the anti-aid side, and the days before the 20 March vote represented the first major outpouring of support for aid.

2. In the constituent correspondence battle:
   a. we were beaten in 13 districts (four of whose members supported the aid, anyway, and one of whose did not vote);
   b. we won in 9 districts (seven of whose members supported the aid); and
   c. we drew even in 13 districts (seven of whose members supported the aid).

3. At the time of the vote, the pro-aid side was gaining tremendous momentum. Many offices said that pro-aid communications increased dramatically following the President's televised address. Most of these communications were phone calls, since the address was just a few days before the vote. This sudden surge of support may partly explain why more members in our survey voted against wishes of anti-aid constituents than voted against the wishes of pro-aid constituents. The tide seemed to be turning strongly. Had the address been earlier, the vote might have been different.

4. In the opinion of many offices, the anti-aid correspondents seemed more knowledgeable of the issues and better organized to express their opposition. The pro-aid correspondents were more visceral, probably reflecting their standing as ordinary, individual Americans. Their major argument in favor of the aid often seemed to be that "President Reagan wants it." or "The President knows what's right."

I believe that this is evidence of the President's vast store of political capital. He continues to enjoy strong support at the grassroots and an ability to move the American people to action when his appeal is delivered in a personal and timely manner.

1629 K Street, N.W., Suite 1100, Washington, DC 20006 202/785-6713 (Telecopier 202/331-4212)

Elizabeth S Hooper Foundation
Suite 1300
Three Parkway
Philadelphia, Pennsylvania 19102

May 27, 1986

Miss Jane E. McLaughlin
NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY
305 Fourth St., N. E.
Suite 1000
Washington, D.C. 20002

Dear Jane:

Enclosed is the contribution which I mentioned to you on the telephone ten days ago. I am a couple of days late sending it but I hope it will do some good.

Please have Ollie contact me to let me know what he is going to do with it, if that is possible. My office number is: 293-0216; my home number is : 688-6118.

Very truly yours,

Bruce H. Hooper
Secretary

BHH/emm

Enclosure

KUYKENDALL COMPANY

June 10, 1986

MEMORANDUM: SPITZ CHANNELL FOR THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY
FROM: DAN KUYKENDALL
RE: CONFIRMATION OF CONSULTING ARRANGEMENT BETWEEN SPITZ CHANNELL AND DAN KUYKENDALL

Dan Kuykendall hereby agrees that he will be available to Spitz Channell or his specific designee for consulting in the area of politics, public affairs, and government operations for twelve (12) months beginning on June 1, 1986.

It is agreed that Kuykendall will be available for personal or phone consulting whenever that service is needed on a reasonable basis.

The Kuykendall Company will bill the "National Endowment for the Preservation of Liberty" for $3,500 at the end of each month, plus the cost of any travel or entertainment done by Kuykendall with prior approval of Channell.

Signed this 10th day of June, 1986.

Carl Russell Channell
National Endowment for the
Perservation of Liberty

Dan Kuykendall
Kuykendall Company

lp

517 3rd Street S.E. • Washington, D.C. 20003 • 202/546-2196

KUYKENDALL COMPANY

Dan Kuykendall
President

[illegible]

June 10, 1986

MEMORANDUM TO: SPITZ CHANNELL
FROM: DAN KUYKENDALL
RE: YOUR REQUEST CONCERNING MONTHLY COSTS OF OPERATING GULF & CARIBBEAN FOUNDATION'S PRESENCE IN WASHINGTON

MONTHLY BUDGET FOR GULF & CARIBBEAN FOUNDATION

Consulting Services, Dan Kuykendall	$1,300
Administrative Services, Kuykendall Company	750
Telephone, Postage, Supplies, Rent, etc.	450
	$2,500
Consulting Services, IBC	1,500
TOTAL FIXED BUDGET	$4,000
Travel (Monthly average, to be billed.)	450
TOTAL INCLUDING VARIABLE	$4,450

lp

[illegible]

[illegible]

517 3rd Street S.E. • Washington D.C. 20003 • 202/546 2196

July 2, 1986

TO: Spitz Channell

FROM: Bruce Cameron, Center for Democracy in the Americas

RE: Why the President Won on Contra Aid

I. In part, it was the President who won contra aid in the House last week: His phone calls and other contacts with Members made a difference. "When a President gets to the point that he can pinpoint 20 people and work face to face with them, he's hard to stop," Tip O'Neill was quoted as saying. "One fellow said he had never spoken to a president and he was awed. How do you turn down a president?" (Of the 11 Members who rejected contra aid in March and made the difference this time by voting "yes," I note three Members -- Carroll Hubbard (D-KY), Chalmers Wylie (R-OH), and Larry Hopkins (R-KS) -- who switched because of a Presidential plea.)

Unacknowledged by the Speaker was the President's address June 25, the day before the vote. The speech, suggested by former Mondale adviser Bernard Aronson, cannot account for one vote in favor, but it did establish the high moral ground and the intellectual basis for bipartisanship. The next day the New York Times changed its tone, if not its position, on contra aid 180 degrees. Majority Whip Tom Foley was forced to pay his respect to the President on the House floor, and House debate proved surprisingly civilized. All of this favored the consideration of some form of aid, forcing members to focus on the merits of the aid amendments.

Still, Wednesday's 221-209 victory cannot be attributed wholly to last-minute White House lobbying. The groundwork for this vote was being laid over a period of months. In this regard, three events stand out:

1. **The appointment of Ambassador Habib:** Habib had great credibility among House moderates, including Rowland, Snowe, Wylie, Frenzel, and Bustamante. By mid-June he had been working Central America over two months; he made the term "good-faith diplomatic effort," and its exhaustion, more meaningful. In a memo last May (1985), Bruce called for the appointment of a special envoy to Central America who was credible to Democrats.

2. **In May, three weeks of meetings between Arturo Cruz, Alfonso Robelo, and Adolfo Calero, the three principals of UNO, and the FDN political directorate.** These meetings set in motion a series of measures (yet to be tested) that could give more clout to non-FDN forces (Cruz and Robelo, with whom most Members identify), establish democratic procedures within UNO, and build a credible international image -- something the FDN could never do. As you know, Bruce was in Miami 10 days out of the three weeks; twice helped intervene with Robelo and Cruz to keep the talks on track. I have since learned that the announced changes by UNO impressed Congressmen Ray, Aspin, and Bustamante, three Democrats who switched in favor of contra

aid. The meetings and the changes neutralized opposition to the "contras" by making UNO reform a matter of open debate. And the modest reforms that were produced, which the Administration said it would encourage, showed the Adminstration could make good on its promise. By mid-June Members who were going to vote for Barnes/Hamilton could only disingenuosly question the reality of UNO reform.

3. **The McCurdy congressional delegation to Central America in early June.** Bruce convinced McCurdy to lead a delegation in mid-May in the hope of acquainting swing members with the leaders of Central America's new democracies and letting these members decide for themselves the viability of Contadora. All 13 Members were horrified by the Sandinistas (they met with Daniel Ortega) and recognized them as the real obstacle to peace in Central America. They also acknowledged that the Central American four -- on their own, rather than under Contadora nation auspices -- were the appropriate managers for any Central American treaty arrangement. (In fact, when Contadora broke up June 6, it chose to lay low and pass the diplomatic ball to the Central Americans; thus Contadora played almost no role in the debate on the House floor June 25).

   Four members on the trip switched their vote in favor of military aid to the contras -- Snowe (R-ME), Bustamante (D-TX), Rowland (R-CT), and Ray (D-GA). Reportedly, Frenzel (R-MN) also switched because of influence from Ray and Snowe. I went to Guatemala to ensure that President Cerezo would meet with Members on their visit.

   All 13 Members returned convinced that any aid package to the contras had to include increased economic support for Guatemala, Honduras, El Salvador, and Costa Rica as well. This new regional dimension proved extremely popular; the inclusion of economic aid to the region's democracies in the Skelton/Edwards amendment provided enough compromise and political cover for Rowland (R-CT), Frenzel (R-MN), and Wylie (R-OH) to vote for the substitute amendment.

II. Against this background the Skelton/Edwards proposal, not the McCurdy bill, made more sense. Both proposals established a Bipartisan Commission that monitors negotiations, etc.; both called for more accountability of U.S. funds to the resistance, both gave large sums of economic aid to Central American democracies. The difference turned on a second vote for military aid. McCurdy's second vote on October 1, 1986 on military aid was untenable. Few members wanted to vote on contra aid again so close to the November elections. The resistance's need for anti-air defenses up front were imperative; their absence in the McCurdy bill hardly provided an incentive for the Sandinistas to consider negotiating (just the opposite). And yet the Democratic leadership would not budge on this issue. Bustamante, Rowland, and Snowe consequently parted company with McCurdy. Robin Tallon (D-TN) and Dan Mica (D-FL), thought to have been wavering, never joined the leadership.

Meanwhile, Skelton/Edwards provided both military aid up front and another vote on additional military aid, including the delivery of heavy weapons next February. Essentially, this was the compromise position Bruce and I advanced in May, though with different figures: $55 million, including military aid, up front; $45 million released upon a second vote. McCurdy and some Members close to him never accepted this idea, perhaps because of pressure from the House leadership. I hoped that a modification — a Presidential letter promising to respect a two-house vote of disapproval next February -- would lead more Democrats to endorse Skelton/Edwards. This idea also proved unacceptable.

In fairness to McCurdy, it should be noted that Skelton/Edwards attracted votes by taking whole key sections of the basic McCurdy draft -- e.g., the economic aid package, the Bipartisan Commission. Also, McCurdy succeeded in forcing the House leadership to hold another vote on contra aid first after the President's request was defeated in March and then after the April vote was aborted by the Republicans.

III. Some remarks on the members who switched their votes on contra aid.

Eleven members who previously voted against the President's package in March switched in favor of the administration's proposal. They included six Democrats -- Les Aspin (WI), Mario Biaggi (NY), Albert Bustamante (TX), Carroll Hubbard (KY), Marilyn Lloyd (TN) and Richard Ray (GA) -- and five Republicans -- Bill Frenzel (MN), Larry Hopkins (KS), John Rowland (CT), Olympia Snowe (ME), and Chalmers Wylie (OH).

DEMOCRATS

Aspin, Lloyd, and Ray were not surprises, and were factored into our vote-count, although some claim Aspin was undecided until the very last moment.

Aspin previously intended to vote for aid in April, following his trip to Nicaragua with Bob Leiken. It could be that the delay in his vote June 25 was to save face, because the President referred to him favorably on the contra issue in his Tuesday speech. Contra reform was also very important to Aspin.

Lloyd had been to the rebel base camps in March before the last vote, came back and voted against aid, though promised on the next vote she would vote for it. No big surprise, therefore, and I knew she was much influenced by Duarte's conversations with her.

Ray was one of the cosponsors of the winning amendment, a member of the delegation to Central America in June, and an absolute tiger on contra reform. He personally went to Miami to evaluate the outcome of the contra meetings.

Hubbard came out publicly Tuesday afternoon and said the President had convinced him of the need for military aid.

Bustamante, a leading member of the McCurdy group who speaks Spanish, formed a bond with Central American leaders on his trip there in June. He also did not want to vote again on military aid in October.

Biaggi's yes vote is more of a mystery. According to his aide, there's no big news about the switch; he felt the President made a good case and he went with it. The *New York Times* quotes Biaggi as saying, "The contras are scoundrels and the Sandinstas are scoundrels...but when it comes to the national interest, a tie has to go with the President."

REPUBLICANS

Snowe went on the trip to Central America in June. Presentations by Cerezo, Duarte, Arias, and Azcona moved her, and the aid package to the four democracies, plus Habib, convinced her there was a regional approach.

Wylie claims to have been impressed with economic aid package. He was assured by President and Vice-President that allegations of contra corruption were unfounded and convinced by administration that Sandinistas could not be brought to negotiating table without military aid. The Sandinistas hadn't done anything in the last ninety days.

Hopkins voted because of a presidential plea.

Frenzel's negative vote in March was not emphatic; it centered on the lack of regional policy; this time he felt the region was addressed. He was influenced by Ray, Chandler, and Snowe's unfavorable view of Ortega and their affinity for the other presidents.

Rowland doesn't regard his vote as a switch since this proposal was different, i.e., the economic aid package. Rowland himself worked with Skelton on the economic aid language. He also thought a second vote was going to have no impact on the Sandinistas and would not unite the core 4 Central American countries.

CENTER FOR DEMOCRACY IN THE AMERICAS

Penn Kemble
Chairman

Bruce P. Cameron
President

August 7, 1986

Mr. Carl Channell
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, NW
Suite 350
Washington, DC 20004

Dear Spitz:

We won!

It was a very great pleasure working with NEPL to achieve this great victory. The renewal of the "contra" program under new leadership in the Administration and with increased focus on human rights and democratic principles shows that Democrats like myself can find common ground with conservative Republicans when the stakes are American security and freedom for the people of Nicaragua.

As a Democratic lobbyist I could see that NEPL's television ads and the spokesman program were of decisive importance in bringing the truth about Nicaragua to citizens in the Congressional districts of "swing" voters. I think the American people now have a better understanding of the global nature of the Soviet threat and how it operates in Central America.

Sincerely,

Bruce P. Cameron

Bruce P. Cameron
President

729 15th Street, N.W. • Suite 940 • Washington, D.C. 20005 • (202) 347-33

August 25, 1986

Memo to David Fischer

RE: Draft memo for Don Regan

FROM: Spitz Channell, National Endowment for the Preservation of Liberty and President of Sentinel

In January 1986, the National Endowment for the Preservation of Liberty and Sentinel initiated a $4.1 million educational and lobbying campaign which eventually reached 25 states. The purpose of this 8 month campaign was to give support to President Reagan's Nicaraguan policies with special focus on the Freedom Fighter aid package the President submitted to the Congress for approval in January.

Many consider this effort to be the largest of its kind devoted to supporting Ronald Reagan on a foreign policy issue in the past 6 years.

Television educational and informational messages were broadcast by the National Endowment for the Preservation of Liberty in 49 Congressional districts and the Distric of Columbia in varying degrees of intensity from March through August (139 days). Ads were broadcast in difficult-to-win Congressional districts whose Congressmen were undecided as to their vote for or against Freedom Fighter aid. Over $2,500,000 went to the television campaign alone.

$75,000 was spent by Sentinel directly to build Congressional support for President Reagan. This included advocacy television messages in 32 Congressional districts, the production of two 30 minute television documentaries supporting the Nicaraguan Freedom Fighter cause filmed secretly in Nicaragua, active lobbying of Congress by a staff of 5, newspaper ads in major media markets (New York and the District of Columbia), and continuous work with Assistant Secretary, Bureau of Inter-American Affairs, Department of State, Elliott Abrams.

$600,000 was spent by the National Endowment for the Preservation of Liberty to conduct pro-Nicaraguan Freedom Fighter speaking tours in 27 Congressional districts in the 7 months prior to the first House vote in March on Freedom Fighter aid.

$85,000 was devoted to nine Washington, D.C. briefings with opinion leaders, political activists, and volunteer supporters for the Nicaraguan Freedom Fighter cause.

On the day in June of the historic House reversal, which resulted in a victory for Ronald Reagan on Freedom Fighter aid, it was determined that the National Endowment for the Preservation of Liberty and Sentinel had carried the support program for the President successfully into 32 of the 51 Democratic districts that ultimately stood with Ronald Reagan on this issue.

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 - 1608
TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

MEMO TO: Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, N.W.
Suite 350 South
Washington, D.C. 20005

FROM: Richard R. Miller

DATE: September 5, 1986

SUBJECT: Professional fees

PROFESSIONAL FEES

David C. Fischer August retainer	$20,000.00	NEPL
David C. Fischer September retainer	$20,000.00	
TOTAL		$40,000.00

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
09PM

Western Union Mailgram

4-0464495252002 09/09/86 ICS IPMBNGZ CSP WHSB
1 2023636142 MGM TDBN WASHINGTON DC 09-09 1125P EST

ANTI-TERRORISM AMERICAN COMMITTEE
1331 PENNSYLVANIA AVE NW SUITE 350 SOUTH
WASHINGTON DC 20004

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2023636142 TDBN WASHINGTON DC 108 09-09 1125P EST
PMS LT COL OLIVER NORTH, DLR
NATIONAL SECURITY COUNCIL RPT DLY MGM, DLR
OLD EXECUTIVE OFFICE BLDG 17TH & PENNSYLVANIA AVE NORTHWEST
WASHINGTON DC 20506
DEAR COLONEL NORTH

WE HAVE THE HONOR TC INFORM YOU THAT CONGRESSMAN MICHAEL BARNES, FOE OF THE FREEDOM FIGHTER MOVEMENT, ADVERSARY OF PRESIDENT REAGAN'S FOREIGN POLICY GOALS AND OPPONENT OF THE PRESIDENT'S VISION FOR AMERICAN SECURITY IN THE FUTURE HAS BEEN SOUNDLY DEFEATED IN HIS BID TO BECOME THE DEMOCRATIC CANDIDATE FOR THE US SENATE FROM MARYLAND.

HIS DEFEAT SIGNALS AN END TO MUCH OF THE DISINFORMATION AND UNWISE EFFORT DIRECTED AT CRIPPLING YOUR FOREIGN POLICY GOALS.

WE AT THE ANTI-TERRORISM AMERICAN COMMITTEE (ATAC) FEEL PROUD TO HAVE PARTICIPATED IN A CAMPAIGN TO ENSURE CONGRESSMAN BARNES DEFEAT.

FOR THE ANTI-TERRORISM AMERICAN COMMITTEE
SPITZ CHANNELL, PRESIDENT, CLIFF SMITH, DIRECTOR, KRIS LITTLEDALE, DIRECTOR
1331 PENNSYLVANIA AVE NW SUITE 350 SOUTH
WASHINGTON DC 20004

23:26 EST

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

THE NATIONAL ENDOWMENT FOR THE PRESERVATION O
LIBERTY

October 1, 1986

Channell Corportation
c/o Executive Suites
1331 Pennsylvania Ave. NW
Washington, DC 20004

INVOICE

Refund Request for Overpayment of October Rent	11,990.59

Due and payable upon receipt

1331 Pennsylvania Ave., N.W. Suite 350 South Washington, D.C. 20004 (202) 662-8700

INTERNATIONAL BUSINESS COMMUNICATIONS
[illegible] SUNDERLAND PLACE N.W.
WASHINGTON DC [illegible]
TELEPHONE [illegible]
TELEX [illegible]

MEMO TO: Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, N.W.
Suite 350 South
Washington, D.C. 20005

FROM: Richard Miller

DATE: October 8, 1986

SUBJECT: Professional Fees

PROFESSIONAL FEES

David C. Fischer October retainer	$20,000.00

(Please make check payable to International Business Communications)

2038 Belmont Road N.W.
Washington D.C. 20009

October 8, 1986

National Endowment for the
Preservation of Liberty
Attention: Accounting Department

For consulting services rendered during October 1986.

$ 10,000

$10,000

Very truly yours,

Eric J. Olson

Nofziger & Bragg

October 15, 1986

Mr. Dan Conrad
Channell Corporation
Suite 350
1331 Pennsylvania Ave., NW
Washington, DC 20004

Dear Dan:

The purpose of this agreement is to set forth the terms of the agreement pursuant to which Nofziger Communications will provide consulting services for Channell Corp..

Nofziger Communications provides consultation services to various corporate entities and has advised Channell that it has the capability to provide same in accordance with the provisions of this agreement. Channell Corporation has expressed its desire to have Nofziger Comm. provide such services with respect to issues which Channell may, from time to time, bring to the attention of Nofziger Comm. Therefore, the parties to this agreement hereby mutually agree as follows:

1. Channell Corporation hereby appoints Nofziger Comm. and Nofziger Communications hereby agrees to serve, as consultant to Channell Corp.

2. Nofziger Communications will advise Channell Corp. with respect to various issues, including the promulgation by Federal agencies of rules and regulations which impact the business activities of Channell Corporation. Channell Corp. agrees that it shall not use these consulting services or refer to the name of Franklyn (Lyn) Nofziger or the name of Nofziger Communications or Nofziger & Bragg Communications in connection with any fund raising or promotional activities, it being specifically understood that this relationship is for advice and counsel only.

3. This is a non-exclusive agreement, and Nofziger Comm. may render similar services to other persons, firms or corporations, and Channell Corporation may employ or engage other persons, firms or corporations to perform similar services for it.

1526 Eighteenth Street, N.W. Washington, D.C. 20036 (202) 332-4030

4. Nofziger Comm. shall act at all times herein as an independent contractor, and nothing contained herein shall be construed to create the relation of principal and agent or employer and employee between the parties hereto. Channell Corp. is solely responsible for its own contractual and other obligations for performance of work and for all guarantees, bonds, salaries, expenses, taxes or any other liabilities incurred by Channell Corp. during the term of this agreement. Nofziger Comm. is not authorized to incur any debts or liabilities on behalf of Channell Corp., and Nofziger Comm. will in no manner be obligated to pay any monies on behalf of Channell Corp.

5. As compensation for the services rendered by Nofziger Communications during the term of this agreement, Channell Corp. will pay to Nofziger Comm. the sum of Two Hundred Forty Thousand Dollars ($240,000.00), payable in installments of Twenty Thousand Dollars ($20,000.00) per month, the first payment to be made on or before November 1, 1986 and successive payments to be made on or before the first of each month through November 1, 1987.

6. Channell Corp. agrees to reimburse Nofziger Comm. for all travel and lodging expenses incurred by Nofziger Comm. in the performance of its obligations under the terms of this agreement plus an administrative charge not to exceed 15% of the expenses actually incurred. Said travel and lodging expenses shall not exceed the sum of eight hundred dollars ($800) per day without the prior written consent of Channell Corp. Itemized bills for expenses incurred by Nofziger Comm. pursuant to this agreement shall be mailed to Channell Corp. monthly and shall be due and payable to Nofziger Comm. on receipt.

7. Channell Corp. shall not directly or indirectly charge any compensation or expense payable under this agreement against any contract with the Government for any product or services.

8. In recognition by both parties hereto of the fact that the services to be rendered by Nofziger Comm. are personal, professional services, the parties hereby agree that Nofziger Comm. shall not subcontract with third parties to render the services covered by this agreement without Channell Corporation's prior written approval, and the parties further agree that no rights under this agreement shall be assigned or transferred by either party without the prior written consent of the other party.

9. This agreement shall commence on October 15, 1986 and shall continue in effect through October 15, 1987. Either party may terminate this agreement with or without cause upon thirty (30) days written notice to the other party. The term of this agreement may be extended beyond the original term by written agreement of the parties. If this agreement is cancelled the obligation to pay future fees is also cancelled.

10. All final bills for expenses incurred by Nofziger Comm. prior to the date of termination shall be mailed to Channell Corporation as soon as practicable following said termination. Nofziger Comm. shall deliver to Channell Corp. all papers and other materials prepared by Nofziger Comm. for the use of Channell Corporation under this agreement within thirty (30) days following the termination of this agreement. All information obtained by Nofziger Comm. about Channell Corp. and Channell Corporation's activities shall be kept confidential and shall not be disclosed by Nofziger Comm. after termination of this agreement without Channel Corporation's prior written approval.

11. Nofziger Comm. will be free to render consulting services to other organizations. It is understood, however, that if Nofziger Comm. becomes aware that any organization to which it is or may be rendering services sponsors or produces goods or services which conflict with Channel Corporation's, Nofziger Comm. will notify Channell Corp. If such consulting activity could result in a conflict of interest Channell Corp. will have the right to terminate this agreement.

12. This agreement, and the performances or breach hereof, shall be governed by the substantive and procedural laws of the District of Columbia. Any disputes arising out of or relating to the performance or breach of this agreement shall be finally resolved by arbitration held in the District of Columbia before a single arbitrator, pursuant to the rules then obtaining of the American Arbitration Association. Judgment upon any award may be entered in any court of competent jurisdiction.

13. This agreement contains the entire agreement of the parties and may be modified only by their mutual agreement in writing. Any notice pursuant to this agreement may be made by mail, cable or telex to the addresses set forth hereinbelow or to such changed address as one party may advise by written notice to the other party.

IN WITNESS WHEREOF, the parties have hereunto set their hands on this 20 day of October, 1986, mutually agreeing to the terms set forth in this agreement.

Carl Channell

NOFZIGER COMMUNICATIONS, INC.
1526 - 18th Street, NW
Washington, DC 20036

CHANNELL CORPORATION
Suite 350
1331 Pa. Ave., NW
Washington, DC 20004

Nofziger & Bragg

October 24, 1986

Mr. Dan Conrad
Channell Corporation
Suite 350
1331 Pennsylvania Ave., NW
Washington, DC 20004

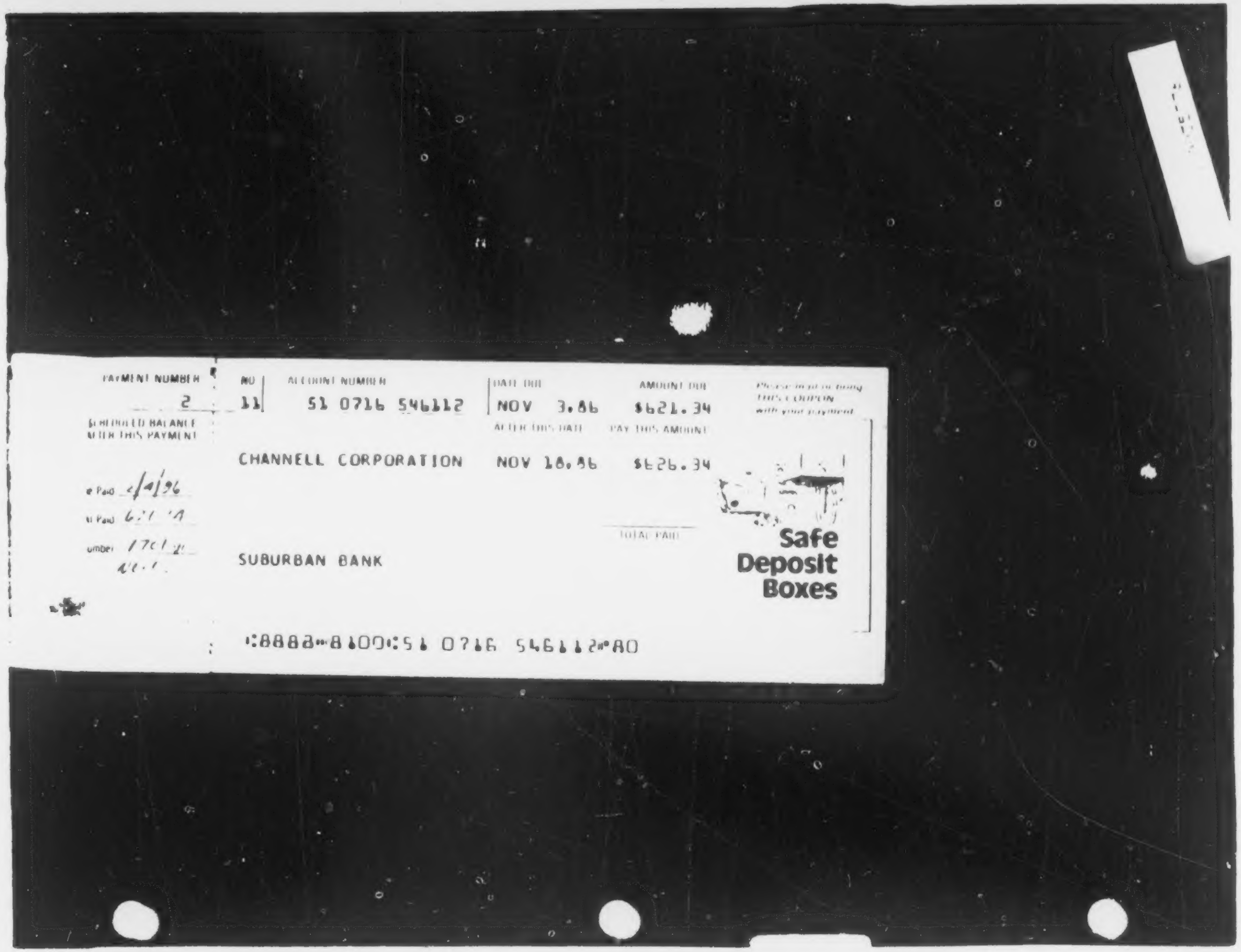
Consulting Services:

October 15 - November 15, 1986...............$20,000

Please remit to:

NOFZIGER COMMUNICATIONS, INC.
1526 - 18th Street, NW
Washington, DC 20036
EIN: 52-1243358

1526 Eighteenth Street, N.W. Washington, D.C. 20036 (202) 332-4030



PAYMENT NUMBER 2

SCHEDULED BALANCE AFTER THIS PAYMENT

e Paid 6/4/96

nt Paid 621.34

umber 1701 21

[illegible]

NO	ACCOUNT NUMBER	DATE DUE	AMOUNT DUE
11	51 0716 546112	NOV 3.86	$621.34
		AFTER THIS DATE	PAY THIS AMOUNT
	CHANNELL CORPORATION	NOV 18.86	$626.34

Please mail or bring THIS COUPON with your payment

TOTAL PAID

SUBURBAN BANK

Safe Deposit Boxes

⑆8888⑉8100⑆51 0716 546112⑈80

2832 Belmont Road N.W.
Washington D.C. 20009

November 3, 1986

National Endowment for the
Preservation of Liberty
Attention: Accounting Department

For consulting services rendered during November 1986.

$7500

$7500

Very truly yours,
Eric J. Olson

Nofziger & Bragg

December 16, 1986

Mr. Dan Conrad
Channell Corporation
Suite 350
1331 Pennsylvania Ave., NW
Washington, DC 20004

Consulting Services:

December 15, 1986 - January 15, 1987...............$20,000

* ATTENTION *

Please remit to:

NOFZIGER COMMUNICATIONS, INC.
1526 - 18th Street, NW
Washington, DC 20036
EIN: 52-1243358

1526 Eighteenth Street, N.W. Washington, D.C. 20036 (202) 332-4030

2032 Belmont Road N.W.
Washington D.C. 20009

December 19, 1986

National Endowment for the
Preservation of Liberty
Attention: Accounting Department

For consulting services rendered during December 1986.

$10,000

$10,000

Very truly yours,

Eric A. Olsen

Pay 1/5

KUYKENDALL COMPANY

December 22, 1986

Mr. Spitz Channell, President
National Endowment for the Preservation of Liberty
1331 Pennsylvania Avenue, NW - Suite 350
Washington, D. C. 20002

Attention: Mr. Dan Conrad

Fee due for services rendered for December, 1986	$12,000.00
TOTAL DUE KUYKENDALL COMPANY	$12,000.00

KC:lp

517 3rd Street, S.E. • Washington, D.C. 20003 • 202/546-2196

the robert goodman agency, inc.

2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

December 23, 1986

Mr. Spitz Channel
NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY
1331 Pennsylvania Ave., NW - Suite 350-S
Washington, D. C. 20004

Dear Mr. Channel:

Mr. Goodman asked me to write you regarding the audit we did and sent you, via Federal Express, yesterday. As you can see from the covering sheet, the American Conservative Trust owes us $122,531.95 and we owe National Endowment for the Preservation of Liberty $125,757.57. As soon as we receive a check from American Conservative Trust, we will be more than happy to reimburse National Endowment for the Preservation of Liberty.

To double check the accuracy of our books, we are attempting to match station invoices against monies received.

Sincerely,

Melva H. Croghan

MHC

the robert goodman agency, inc

2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

December 22, 1986

AMERICAN CONSERVATIVE TRUST	Amount Due	$ 122,531.95
NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY	Credit Balance	(125,757.57)
SENTINEL		-0-
	TOTAL CREDIT	($3,225.62)

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE N.W.
WASHINGTON D.C. [illegible]
TELEPHONE (202) [illegible]
TELEX [illegible] IBCUSA

MEMO TO: Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, N.W.
Suite 350 South
Washington, D.C. 20005

FROM: Richard R. Miller

DATE: December 31, 1986

SUBJECT: Professional Fees

PROFESSIONAL FEES

David C. Fischer January retainer	$20,000.00

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE N.W.
WASHINGTON D.C. 20036-1608
TELEPHONE (202) [illegible]
TELEX [illegible] IBCUSA

MEMO TO: Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, N.W.
Suite 350 South
Washington, D.C. 20005

FROM: Richard R. Miller

DATE: January 5, 1987

SUBJECT: Professional Fees

PROFESSIONAL FEES:

For public relations and media consulting on behalf of NEPL during the month of January, 1987, please forward a check in the amount of $20,000.00 made payable to International Business Communications.

1/5/87

"Reconnaissance"
"True Colors"
"Thank You"
"President's Oath"
"Terrorist Influence"
"Helicopters"
"Refugees"
"They Are Us"
"Letter"
"Throw Money"
"Morning of Peace"

Paid by NEPL

"Freedom Can't Work"
"Korean Airliner"
"Freedom Can't Work" Garwood
"Freedom Can't Work" Pierce"
"Terrorism Influence"

Paid by ACT

"Does He Know?" Barnes
"Fact Check A" Barnes
"Fact Check B" Barnes
"Fact Check C" Barnes
"Time Check 6:30" Barnes
"Time Check 11:30" Barnes
"Does He Know?" De La Garza
"Fact Check A, B, C" De La Garza

Paid by Sentinel + NEPL

This is a political struggle

Army
weapons
strategy
Action

Public Affairs Strategy

for

Spitz Channell & NEPL

Introduction

This document is a strategy paper designed to help NEPL and you defuse the controversy caused by the recent libelous accusations made against you. This a prepared with consultation from several of your senior consultants and reflects our best judgment on the means to put these scurrilous charges behind you. We suggest you review this document with your attorney, advertising agencies and other consultants not part of IBC, David C. Fischer & Associates, and the Kuykendall Co.

PREMISES:

1. The Iranscam money charge made anonymously by Senator Kerry and picked up by the Lowell Sun, Miami Herald, UPI and NBC-TV, as well as in lesser degree other major news organizations is a lie.

2. The accusation, coupled with the above charge, that Lt. Colonel North coordinated your educational and campaign expenditures is patently false.

FACTORS GOVERNING STRATEGY:

1. Liberal Democrats on Capitol Hill have used, and will continue to use, the charges to strip you of your ability to help the President.

2. Conservatives and conservative fundraisers are angry that you raised money from people they must count on for contributions and therefore have dried up as a funding source for them.

3. You are the head of several diverse organizations and are the single focus of this and future news stories.

4. Some of your consultants and ad people have confused the issues with reporters and your statements have been used largely to reinforce the notion of North's control over your activities.

5. You have an arsenal of truth and an army of supporters. But they must be mobilized.

CONCLUSION:

We must begin a three-track program designed to defuse the original allegations, cut off Congressional action against you and put you back on an even keel.

The three tracks are as follows:

TRACK 1 - IRANSCAM ALLEGATION
JANUARY 15 - 16, 1986

CONTROLLED RELEASE - Through a controlled media release using selected interviews, we will demonstrate the dubious nature of these allegations. With the Coopers & Lybrand income audit, we will destroy the allegation that you got Iranscam money. In the same interviews we will drop the fact that we are preparing libel proceedings against the Lowell Sun, UPI, Knight Ridder and possibly NBC-TV. This will demonstrate our credibility and make it possible to deny, believably, that North coordinated your activities.

The present list does not include reporters we might select from the stack of messages you received. They are as follows:

CBS-TV --
Washington Post -- Tom Edsal
The New York Times -- R.W. Apple
Wall Street Journal --
Baltimore Sun -- Karen Hurser
New Republic -- Fred Barnes
Human Events -- Tom Winter
Time -- Barry Seaman (Still open for discussion)
AP -- (Still open for discussion)

After the interviews are completed and we have gone through one news cycle, the consulting team will present one of two options for the announcement of the 1987 Central American Freedom Program:

OPTION 1) - News Conference, January 19 or 20
National Press Building

OPTION 2) Controlled Release, January 19-21
With Political Writers and Editors

TRACK II - CONGRESSIONAL FOES AND FRIENDS
JANUARY 5-23

The select committees are not even convening until late January and early February. But, during this time, staff members will be picking their targets. We should move quickly to reassure our friends and to placate our new-found antagonists.

Briefing Book

We will use copies of checks until the Coopers & Lybrand audit is through, and only with trusted friends. The schedule of meetings and who will attend will be handled by Dan Kuykendall in conjunction with Lyn Nofziger and I.B.C. The present targets are broken out in three categories: our friends who can publicly support us now; reasonable members who have not supported us but are men of fair play; and our new antagonists who should be forced to see the truth. The list includes all the contact possibilities.

FRIENDS

Broomfield -	Dan Kuykendall (DK)
Trent Lott -	Dan Kuykendall
Dick Cheney -	Dan Kuykendall
Bob Dole -	DK, Dave Fischer, Lyn Nofziger
Bob Michel-	Dan Kuykendall
Orrin Hatch -	Dave Fischer, Dan Kuykendall

RESPONSIBLE MEMBERS

Dante Fascell -	DK, Steve Schwartz, Penn Kemble
Sen. Boren -	Bruce Cameron, Penn Kemble
Sen. Rudman -	Dan Kuykendall
Sen. Trible -	Dan Kuykendall
Bill Richardson-	Frank Gomez
Kika de la Garza -	Dan Kuykendall
Claude Pepper	Penn Kemble, Denise O'Leary
Dan Mica	Penn, Denise O'Leary, DK
Sen. Graham	Denise O'Leary, Steve Schwartz
Dave McCurdy -	Penn Kemble, Bruce Cameron
Ike Skelton -	Pen Kemble, Bruce Cameron
Bustamante -	Dan Kuykendall

-[illegible]?

ANTAGONISTS

Unreasonable
Senator Metzenbaum
Senator Kerry

Lahey?

Reasonable
Jake Pickle
Cong. Coleman

When these are each contacted and the Coopers & Lybrand audit is made public, the issue will be greatly defused on Capitol Hill.

TRACK III - POLITICAL TRACK
JANUARY 5-20

The White House, State Department and NSC must be reassured that there is no validity to these charges. All your consultants will be contacting past and present officials to share the Coopers & Lybrand audit with them and to create an understanding of the different organizations and media used in your programs. In this way, we can start some independent sources feeding the journalists at the same time we establish a reservoir of sympathy among Reagan supporters for the terrible way NEPL was libelled. There will be no list and each consultant will be responsible for his own contacts.

We will reconvene a full strategy group next week to begin preparation of documents and videotapes for the media. We counsel that until that time you refuse all interviews.

2032 Belmont Road N.W.
Washington D.C. 20009

January 5, 1987

National Endowment for the
Preservation of Liberty
Attention: Accounting Department

For consulting services rendered during January 1987.

$10,000

$10,000

Very truly yours,

Eric Y. Olson

American Conservative Trust
Victory in 86

January 13, 1987

Mr. Robert Goodman
c/o Ms. Melva H. Croghan
The Robert Goodman Agency, Inc.
2201 Old Court Road
Baltimore, MD 21208

Dear Mr. Goodman:

Mr. Channell has asked me to prepare a summary of my findings from the audit I performed regarding our account with the Robert Goodman Agency.

Upon review of the 1985 invoices I found several instances where the American Conservative Trust (ACT FED) was billed instead of the National Endowment for the Preservation of Liberty (NEPL) or the American Conservative Trust State Election Fund (ACT SEF).

Listed below are the significant invoices that should have been billed to NEPL in 1985:

Project Name	Description	Inv #	Amount
Freedom Can't Work	Production	4104	10,000.00
Korean Airliner	Production	4104	10,000.00
Morning of Peace	Production	4223	15,000.00
Morning of Peace	Media Buy	4233	5,460.00
Morning of Peace	Media Buy	4239	4,935.00
Morning of Peace	Distribution	4243	1,115.46
Morning of Peace	Distribution	4249	197.64
Morning of Peace	Story boards	4254	570.28
Morning of Peace	Media Buy	4219	49,950.00
Morning of Peace	Media Buy	4232	8,050.00
Nicaragua Update	Distribution	4243	840.14
Morning of Peace	Media Buy	4246	5,200.00
Miscellaneous	Distribution	4244	440.69
Miscellaneous	Distribution	4259	270.75
N/A	Limo service	4150	287.50
FCW;KA;PO	Audio Cassettes	4132	66.92
FCW;KA;PO	Storyboards	4128	849.23
			113,233.61

Listed below are the significant invoices that should have been billed to ACT SEF rather than NEPL in 1985:

Miscellaneous	Limo Service	4137	391.00

	ACT FED	ACT SEF	NEPL	SENTINEL
Amounts Invoiced: 1985	226,548.86	0.00	81,328.35	0.0
Proposed Adjustment	(226,548.86)	113,315.25	113,233.61	0.0
		391.00	(391.00)	
	0.00	113,706.25	194,170.96	0.0
Amounts Paid: 1985	0.00	(114,085.00)	(193,792.21)	0.0
Amount owed/(Refund due) for Y/E 1985	0.00	(378.75)	378.75	0.0

Listed below are the significant invoices that should have been billed to NEPL in 1986:

Morning of Peace	Media buy	4232	1,800.00
Morning of Peace	Distribution	4310	70.61
			1,870.61

Listed below are the significant invoices that should have been billed to ACT SEF in 1986:

Back Down/Elec Day	Distribution	5057	805.00

	ACT FED	ACT SEF	NEPL	SENTINEL
Amounts Invoiced: 1986	40,723.44	0.00	830,094.99	130,[illegible]18.6
Proposed Adjustment	(1,870.61)	0.00	1,870.61	
Proposed Adjustment	(805.00)	805.00	0.00	
	38,047.83	805.00	831,965.60	13[illegible]18.6
Amounts Paid: 1986	(28,050.35)	(805.00)	(838,133.70)	([illegible]18.6
Amount owed/(Refund due) for Y/E 1986	9,937.48	0.00	(6,168.10)	0.0

	ACT FED	ACT SEF	NEPL	SENTINEL
Net invoices 85 & 86	267,272.30	0.00	911,423.34	130,018.6
Proposed Adjustments	(229,224.47)	114,511.25	114,713.22	0.0
	-----------	----------	-----------	---------
Adjusted Billings	38,047.83	114,511.25	1,026,136.56	130,018.6
	-----------	----------	-----------	---------
Pymts 85/86 per RGA	(144,740.35)	0.00	(1,095,798.24)	(130,018.6
Adjustments:				
Seperate ACT A/C	114,890.00	(114,890.00)		
Pymt 3/12/86 #1770 NEPL	1,800.00		(1,800.00)	
Refund #4539			16,115.72	
Refund #4659			37,556.61	
Refund #4744 Omaha			12,000.00	
Rebate WTTG TV			(7,055.00)	
	-----------	----------	-------------	----------
Adjusted payments	(28,050.35)	(114,890.00)	(1,038,980.91)	(130,018.6
	-----------	----------	-------------	----------
Balance due/(Refund due)	9,997.48	(378.75)	(12,844.35)	0.0
	===========	==========	===========	=========

ROBERT GOODMAN AGENCY
1985 PROJECT INVOICES

DATE	INV. #	PROJECT NAME	DESCRIPTION		AMOUNT	AMOUNT INVOICED ACT	NEPL
04/23/85	4104	FREEDOM CAN'T WORK	PRODUCTION		10,000.00	10,000.00	
04/23/85	4104	KOREAN AIRLINER	PRODUCTION		10,000.00	10,000.00	
04/23/85	4105	COMMISSION REBATE	PRODUCTION		(3,119.75)	(3,119.75)	
04/23/85	4105	MEDIA BUY 4/18-4/23	WJLA TV	WASH DC	25,950.00	25,950.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WDZL TV	MIAMI FL	5,875.00	5,875.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WJAC TV	BEAUMONT TX	950.00	950.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	KFDM TV	BEAUMONT TX	1,960.00	1,960.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	KBMT TV	BEAUMONT TX	490.00	490.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	KMBC TV	KANSAS CITY MO	5,000.00	5,000.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	KJRH TV	TULSA OK	5,000.00	5,000.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	KGGM TV	ALBUQUERQUE NM	3,560.00	3,560.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WTAF TV	PHILA PA	15,000.00	15,000.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WEWS TV	CLEVELAND OH	5,090.00	5,090.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WCCB TV	CHARLOTTE NC	5,015.00	5,015.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WFAA TV	DALLAS TX	9,075.00	9,075.00	
04/23/85	4105	MEDIA BUY 4/18-4/23	WTXX TV	WATERBURY CT	4,500.00	4,500.00	
					104,345.25	104,345.25	0.00
04/17/85	WIRE	FREEDOM CAN'T WORK	PAYMENT/NEPL		(20,000.00)		(20,000.00)
04/17/85	WIRE	FREEDOM CAN'T WORK	PAYMENT/ACT SEF		(35,000.00)	(35,000.00)	
04/18/85	WIRE	FREEDOM CAN'T WORK	PAYMENT/ACT SEF		(40,000.00)	(40,000.00)	
05/31/85	1081	FREEDOM CAN'T WORK	PAYMENT/NEPL		(5,000.00)		(5,000.00)
06/14/85	1188	FREEDOM CAN'T WORK	PAYMENT/NEPL		(4,345.25)		(4,345.25)
					(104,345.25)	(75,000.00)	(29,345.25)
					0.00	29,345.25	(29,345.25)
05/28/85	4119	PARTY'S OVER	PRODUCTION		6,000.00	6,000.00	
06/10/85	4127	MEDIA BUY 5/28-6/4	KTBC TV	AUSTIN TX	2,170.00	2,170.00	
06/10/85	4127	MEDIA BUY 5/28-6/4	WDZL TV	MIAMI FL	1,500.00	1,500.00	
06/10/85	4127	MEDIA BUY 5/28-6/4	WJLA TV	WASH DC	17,600.00	17,600.00	
06/11/85	4131	MEDIA BUY 6/10	WJLA TV	WASH DC	1,700.00	1,700.00	
					28,970.00	28,970.00	0.00
04/17/85	1345	PARTY'S OVER	PAYMENT/ACT SEF		(6,000.00)	(6,000.00)	
05/23/85	1352	PARTY'S OVER	PAYMENT/ACT SEF		(21,000.00)	(21,000.00)	
06/11/85	????	PARTY'S OVER	PAYMENT/NO RECORD		(1,700.00)	(1,700.00)	
08/14/85	1188	PARTY'S OVER	PAYMENT/NEPL		(270.00)		(270.00)
					(28,970.00)	(28,700.00)	(270.00)
					0.00	270.00	(270.00)
06/10/85	4128	FCW;KA;PO	PRODUCTION: STORYBOARDS		849.23	849.23	
06/11/85	4132	FCW;KA;PO	PRODUCTION: AUDIO CASSETTES		66.92	66.92	
06/25/85	4137	N/A	LIMO SERVICE		391.00		391.00
07/01/85	4143	NO PLACE TO HIDE	VHS/CASSETTES		125.00		125.00
07/15/85	4150	N/A	LIMO SERVICE		287.50	287.50	
11/14/85	4244	MISCELLANEOUS	PRODUCTION: DISTRIBUTION		440.69	440.69	
11/26/85	4259	MISCELLANEOUS	PRODUCTION: DISTRIBUTION		270.75	270.75	
					2,431.09	1,915.09	516.00
05/23/85	1352	MISCELLANEOUS	PAYMENT/ACT SEF		(385.00)	(385.00)	
08/14/85	1188	MISCELLANEOUS	PAYMENT/NEPL		(1,334.65)		(1,334.65)
12/05/85	1526	MISCELLANEOUS	PAYMENT/NEPL		(711.44)		(711.44)
					(2,431.09)	(385.00)	(2,046.09)
					0.00	1,530.09	(1,530.09)

the robert goodman agency, inc.

2201 OLD COURT ROAD BALTIMORE MARYLAND 21209 (301) 296-5330

January 15, 1987

Mr. Spitz Channel
American Conservative Trust
1331 Pennsylvania Ave., NW
Suite 350 - South
Washington, DC 20004

Dear Spitz:

Enclosed is the documentation you requested regarding payments received from American Conservative Trust accounts. As you can see from the breakdown, some payments were identified as coming from the state account, some from the federal account and also some simply identified in our records as coming from A.C.T. or American Conservative Trust.

Sincerely,

Colleen W. Vickers
Treasurer

Enclosures

the robert goodman agency, inc.

1985 Income Received

AMERICAN CONSERVATIVE TRUST

5/23/85	$ 21,385.00	Wired
5/31/85	6,000.00	Wired
6/11/85	1,700.00	Wired
	$ 29,085.00	

AMERICAN CONSERVATIVE TRUST (State Election Fund)

4/17/85	$ 35,000.00	Wired
4/18/85	40,000.00	Wired
10/30/85	10,000.00	Ch. #1490
	$ 85,000.00	

1986 Income Received

AMERICAN CONSERVATIVE TRUST

6/26/86	$ 50.35	Ch. #1204
10/28/86	14,000.00	Wired
	$ 14,050.35	

AMERICAN CONSERVATIVE TRUST (State Election Fund)

11/10/86	$ 805.00	Ch. #1643

AMERICAN CONSERVATIVE TRUST (Federal)

11/6/86	$ 6,000.00	Wired
11/7/86	8,000.00	Wired
	$ 14,000.00	

2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE N W
WASHINGTON D C 20036 1608
TELEPHONE (202) 659 6550
TELEX 3718712 IBCUSA

MEMO TO: Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, N.W.
Suite 350 South
Washington, D.C. 20005

OK to pay
dlc

FROM: Richard R. Miller

DATE: February 2, 1987

SUBJECT: Professional Fees

PROFESSIONAL FEES:

Professional services	$40,000.00
Central American Freedom Program II Research	$12,000.00
GRAND TOTAL:	$52,000.00

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036-1608
TELEPHONE (202) 659-6560
TELEX 371812 IBCUSA

MEMO TO: Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
1331 Pennsylvania Avenue, N.W.
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Washington, D.C. 20005

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Central American Freedom Program II Research	$12,000.00
GRAND TOTAL:	$52,000.00

[illegible] – ACF

2032 Belmont Road N.W.
Washington D.C. 20009

February 18, 198

National Endowment for the
Preservation of Liberty
Attention: Accounting Department

For consulting services rendered
during February 1987

$5,000
$5,000

Very truly yours,

Eric J. Olson

UNO TALKING POINTS

Adolpho Calero - President of the FDN and member of UNO

[illegible]

Who makes up the FDN fighters

Who are the people swelling FDN ranks today

Constant need for supply and training

The military push toward a crisis for the Sandinistas

- Boaco
- Estali

A common FDN battlefield saying

Arturo Cruz - former Nic. Ambassador and Presidential candidate, member of UNO

[illegible]

The Sandinistas' present political crisis.

The ~~climate of~~ crisis present in the Nicaraguan political community

The future holds a demoncractic Nicaragua

Alfonso Robelo - Former member of the Sandinista ruling Junta, member of UNO

[illegible]

The economic crisis in Nicaragua

The support of the people

The Southern front and the multiplication of supporting groups.

Thomas Borge quote, "Nicarqagua is the door we will kick open to liber the United States."

GREEN BRIEFING:

B Introduction - Begin with the day, April 23rd, congress voted down the President's aid package to the freedom fighters. Up to that point the communists had done the following:

1. Airplanes
2. Airports
3. trainers
4. machines
5. heavy equipment

1. Ortega goes to Moscow

    A. Moscow promises material support

    B. Moscow promises advisors

    C. Moscow promises weapons systems

2. Freedom Fighters in the same period.

    A. Miraculous that they survived at all.

        1) Lack of supplies

        2) No airlifts, resupply by horseback and backpack

            (a) restricted interior action

            (b) wasted supplies to reach the resupply points

            (c) no chance for interior use of heavy weapons

            (d) no pre-staging gatherings because of time factor

            (e) no hospital or medivac capacity to support interior action

    B. 3) Map with overlay showing the penetration of freedom fighters as of April 1985

A Sandanista military build-up since ~~June 15th~~ MAY 1984 BOLAND AMENDMENT (OCT 1984)

1. Hind helecopters

2. Cubans in the field

3. Free fire zones

4. Military airfields buildup

5. soviet deepwater port

6. pacific coast base improvments

7. forced recruitment

8. material and heavy weapons systems delivered

D C The situation today

1. Supply is up to speed, warehouses are well supplied

2. Heavy lifting airdrops have begun and have successfully resupplied forward units without them running the risk of border crossing

3. Light plane forward deployment of supplies to reinforce southern front and central concentrations

4. Medivac and field first aid supply

5. The impact of Freedom Fighters on a government in an economic and political crisis

6. Strategic implications ~~on~~ of newly supplied forces

   a) Cutting the Rama Road

   b) Boaco battle

   c) Bridge destruction

7. Map overlays of present penetrations and major battles.

Oct 17th

E The future - ~~the two million dollar a month war.~~

800 tons of $27M has been delivered
weve been delivering in last 3 wks
the clouds are clearing soon
- there is very little time left for delivery

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 - 1608
TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

Dan:

As per Spitz's request, I am attaching a list of open seats in the House of Representatives. The NRCC has listed all GOP Members as priority tarkets and the following Democrats as probable pickups Al 7, CO 2, IA 6, LA 7 LA 8, MD 8, NC 3, OK 1, OR 4, PA 7, SD at large. They have also targeted the following sitting Democrats for defeat Stallings ID 2, McCloskey IN 8, Carr MI 6, Young MO 2, NealNC 5, Feighan OH 19, Aucoin OR 1, Kostmayer PA 8, Kanjorski PA 11, Bryant TX 5, Pickle TX 10, Lloyd TN 3.

I hope this is what your looking for.

STEVE

Spitz

CENTRAL AMERICAN FREEDOM PROGRAM

A Joint Project of
The National Endowment for the Preservation of Liberty
and
Sentinel
305 4th Street NE
Washington, DC 20002
(202) 547-1986

CENTRAL AMERICAN FREEDOM PROGRAM

Introduction

1986 is destined to be a landmark year in the advancement of freedom throughout the world. After a generation of increasing tyranny and authoritarianism, the winds of change are rising. These winds are carrying freedom movements on four continents toward a victory over communist domination.

And Ronald Reagan, leading a rejuvenated America, has caught these winds of change. He is dramatically aligning American policy, resources, and moral support with the force of that gathering storm.

President Reagan's policy, when fully developed, is destined to trigger the overthrow of communist tyranny. This will happen around the world, in Afghanistan, Angola, Mozambique, Kampuchea and, most important, Nicaragua.

America's relationship with communist Nicaragua experienced an absolute moral and political reversal when Ronald Reagan became President of the United States.

The Carter Administration, like millions of Nicaraguans, had been fooled by the communists who captured the leadership of the anti-Somoza revolution in 1979. Once in power, the communist junta began systematically lying to the world about the true policies and purposes of their revolutionary government.

But Ronald Reagan was not fooled. So, moved by new leadership, American policy toward Nicaragua's communist government changed sharply in 1981. Then the U.S. declared support for the Nicaraguan Freedom Fighters.

Since 1981, opposition to the communist-controlled Nicaraguan regime has gradually become a very powerful internal democratic movement. It claims the support of over 25,000 well armed Nicaraguans and literally hundreds of thousands of ordinary Nicaraguans. Nearly 400,000 (one out of every six Nicaraguans) lives under Freedom Fighter protection.

The democratic forces have endured years of conflict with a communist army easily six times their number. More remarkably, they have steadily increased their ranks in the midst of the struggle. These democratic forces continued to gain strength even during the year and a half that United States aid was suspended.

1986 finds the democratic forces stronger than ever. But so is their communist enemy. Ronald Reagan has offered decisive assistance to the democratic forces. And, if this assistance is fully endorsed by the Congress, it could, in fact, carry them to victory over communism in Nicaragua this year.

When victory occurs, it will have historic and political significance throughout the Western Hemisphere. Its impact will be felt by every Freedom Fighter in the world. Its possibility will haunt every communist dictator.

Finally, Ronald Reagan's actions will herald a new dynamic American policy. It is a policy of materially supporting freedom movements struggling to overthrow communist regimes. Freedom is on the offensive.

Description of the Problem

If Ronald Reagan is to succeed in meeting the needs of Freedom Fighter movements for years to come, it will be necessary to create a deep reservoir of public support for Freedom Fighters and the President's policy.

Such public support will come only if the American people truly understand the stakes and the opportunities the Reagan policies embody.

The memories of Vietnam, however inapplicable, remain fresh, as does the urge to have America fight for clearly recognizable just causes. So President Reagan, if he is to be successful, must carry into this foreign policy arena the unified support of the American people.

In spite of the headlines and the debates during the last five years, the American public remains woefully ignorant about Nicaragua. They don't understand the clear threat it poses to vital American security interests.

A 1985 public opinion poll showed more than one-third of those surveyed did not know which side the United States supports. Twenty percent thought we support the (communist) government!

A later poll found that among those aware of U.S. policy, 58% said we should not be giving aid to the Democratic Opposition.

It is tragic, but not surprising that so many people are ill-informed, and that so many oppose our policies. It's not surprising because the American public is the victim of an intense, sophisticated multi-million dollar disinformation campaign. It is being conducted by opponents of the President.

The Sandinistas abuse the freedoms in the U.S. that they deny to their own people. They do this by hiring a Washington law firm and two public relations firms under contract to spread disinformation.

- They are aided by the Soviet Union and Cuba. The Soviets and Cubans already spend tens of millions of dollars to shape public policy in America. Their actions are supported by a vast network of communist and leftist activist sympathizers. Soviet spokesmen regularly seek tv time. Phil Donahue gave Nicaraguan dictator Ortega an hour in October.

These people operate at the grass-roots level and in Washington. They use the media and all the tools at their disposal to undermine the policies of our elected government.

This is why President Reagan needs the support and cooperation of clear-thinking, patriotic Americans. We must counter the disinformation program of the Sandinistas. We must educate the public on the policies, the players, the dangers and the realities.

The National Endowment for the Preservation of Liberty is helping the President do just that.

Solution

The National Endowment for the Preservation of Liberty has undertaken a nationwide program of indefinite duration known as the CENTRAL AMERICAN FREEDOM PROGRAM.

The overriding goal of this program is to educate the American people. It will show the realities of communism in Nicaragua. It will show the threat to U.S. national security.

We have chosen television as the major vehicle. We believe it is the most successful to carry our educational and informative messages to the public.

The CENTRAL AMERICAN FREEDOM PROGRAM will require the National Endowment for the Preservation of Liberty to spend $2,000,000 in the next 90 days.

This is over $160,000 every week for public education and information on the issue of Nicaragua. A longer, $3 million program is under consideration and will be implemented if required to fully educate the American public.

When our program achieves its public awareness goals, it will become a useful model for similar activities by other in the future. Our program is truly unique. It has become the pioneering effort in this area.

Central American Freedom Program

The National Endowment for the Preservation of Liberty is focusing its education program on seven issues. They are:

1) Nicaraguan communist persecution of its citizens;
2) Denial of religious and political rights;
3) The creation of an aggressive armed Soviet satellite on the North American continent;
4) The creation of Cuban bases inside Nicaragua;
5) The threat Nicaragua now poses to its neighbors both through state terrorism and outright aggression;
6) Support for revolution in El Salvador;
7) Betrayal of the true anti-Somoza democratic revolution by the Nicaraguan communists.

The issues listed above represent the principal points our programs will make in the minds of Americans. We are also emphasizing other issues such as the origin, nature, organization and objectives of the Freedom Fighters.

We are developing the images of the UNO leadership. We are graphically showing the situation facing over 400,000 Nicaraguan refugees. And we are presenting the political and human rights goals of the Freedom Fighters themselves.

Public Affairs Components

Central American Freedom Program

The Sandinistas have two public relations firms and two law firms either registered as foreign agents or working sub rosa in the United States.

They have a combined budget of $2 million. They are using this war chest to concentrate on the districts of Congressmen who have opposed aid to the Freedom Fighters.

They have also stepped up the use of Op-Eds and articles in national newspapers written by sympathetic Americans. They have planted disinformation, too, like the recent articles accusing the FDN of drug trafficking.

An ignorant and misinformed public is one of the principal objectives of the communists. They recognize that ignorance and apathy in local communities across America leaves the doors wide open to the opponents of Administration policy.

And given the activism of those opponents, they are the ones who are often visible to members of Congress. A legislator who only hears from the critics can ignore logic and danger. He can vote to deny U.S. assistance to those on the front lines in the battle against communism in our hemisphere. So, the public must be better informed.

The public is quite unaware of the true nature of the Sandinistas as well as the existence of a viable democratic alternative. They do not support efforts to overthrow any government and fear U.S. involvement in another Vietnam.

This ignorance and the isolation it produces have been the Sandinista's principal advantages in the debate. We intend to evaporate those advantages through the use of truth.

Objectives

As Congressional debate heats up on this issue, we should expect the Sandinistas, their foreign agents and liberal sympathizers to give it all they have.

We are in the last weeks of a national campaign to be decided by the American public. If the public remains apathetic, the President's democratic initiative will be defeated.

If we are successful, America will have a policy that sounds the death knell of America's post-Vietnam feeling of impotency. It will end America's retreat from her responsibilities as the leader of the free world.

To accomplish this, the National Endowment for the Preservation of Liberty is addressing four audiences using specifically targeted communications strategies:

The public - Through the use of strong negative images of the Sandinistas recently reported in the media.

Policymakers - Democratic leadership issues provide the groundwork for more challenging arguments that can influence liberals and moderates.

Congress - Through issues now associated with America's leadership role in supporting democracy in the region against the developing communist threat. NEPL, as an educational organization, is not permitted to engage in lobbying activities. Our co-sponsor, Sentinel, is permitted to engage in lobbying activities and will undertake the responsibility of bringing this important issue to the attention of members of Congress.

Freedom Fighter Leadership - Without a sound belief in the capabilities of the resistance's leadership, no policy can succeed in Congress.

Program Elements

Time is short and we are fighting for public support over a wide geographic area. So, we are treating this like a national educational campaign, with March 15 as our target.

We are using the methodology of national political campaigns. We are seeking to emphasize the disturbing truth about the communist control over Nicaragua. We are debating the unclaimed issues to our advantage. And we are reinforcing our positive public perceptions to educate and inform.

We are using advertising and public affairs programs for each of the four program objectives listed above. They are being handled as follows:

The Public - The public has been exposed recently to several negative images of the Sandinistas. We use these images to reinforce the public perception that the Sandinistas are communists and tyrannical dictators. We employ the following techniques:

Television advertising - We have analyzed Congressional action on the last aid package.

Based on this research, we are producing materials for television spots which focus on:

1) Daniel Ortega's trip to Moscow and the $220 million commitment he received from the Soviets for offensive military weaponry.

2) The recent crackdown on human rights directed against the entire Nicaraguan population.

3) Ortega's purchase of $3,500 in designer eyeglasses while his people starve.

4) The communists militarization of Nicaragua through Soviet, Libyan, East German, Cuban and other advisors, and the use of Nicaragua as a command center for subversion of her democratic neighbors.

5) That Cubans are now proved to be actively involved in combat.

6) That Nicaragua has become a lair and a refuge.

7) The humiliation of Pope John II when he was spat upon and heckled when he tried to conduct Mass in Managua.

Spokesman program - using the prototype program already underway, we are placing speakers in 50 markets between now and March 15, 1986.

These speakers are booked into a civic club or professional organization in a market. Then they are scheduled for television, radio and newspaper interviews.

The speakers come from the ranks of the United Nicaraguan Opposition (UNO) leadership. They can defend all UNO participants.

They focus on Sandinista excesses and UNO as the democratic alternative. The principal concentration for these speakers are the southern and western states.

Battlefield Videotape - Sandinista state security agents rigidly control the movements of foreign correspondents, especially television journalists in or visiting Nicaragua. That control is exercised through:

1) Escort "guides" and interpreters;

2) Denial of access to selected parts of the country;

3) Imposition of "taboo" themes;

4) Screening and censorship of footage for export;

5) Monitoring of telephones and telex;

6) Expulsion or denial of entry to any offenders.

At the same time, coverage from the northern border is extremely arduous and far from the areas where the Resistance is operating.

The result is timid, selective, highly censored and heavily biased television coverage. Battle zones are only presented from the Sandinista perspective.

We are providing major media outlets and local television stations with videotape from the field. It shows scenes never seen before in the U.S.

It includes combat footage and evidence of Sandinista atrocities. We are also providing footage and commentary on events inside Managua and other major population centers.

This footage will be used in three ways:

1) An experienced advertising agency is producing advertising for distribution in as many as 50 selected markets across the United States.

2) A satellite feed will be edited and fed each time new footage is obtained. These feeds will reach approximately 200 television stations in the U.S. Usage reports will be received daily.

3) A new documentary on the face of communism in Nicaragua and the use of internal repression will be produced. This theme will be countered with a segment showing the Freedom Fighters as the logical outgrowth of Sandinista tyranny.

Policymakers

Given the compressed time frame, policymakers can be best reached through an effort that is visible in Washington and the national media. The issues used to reach Congress should be centered on America's leadership responsibilities in this hemisphere.

The primary effort is focused in specially selected areas of the country, but we are reinforcing this effort with a public affairs and education program including:

A. Articles and Op-Eds written by prominent American leaders on Nicaragua as a center of terrorism. We will use recent revelations of Nicaraguan arms being used in the Colombian Supreme Court assaults.

We will cite evidence of Libyan, PLO and Iranian terrorists working in Nicaragua. From these facts, we will produce articles for paid distribution, single placement in national newspapers and general media distribution.

B. Religious persecution of all faiths can be used to touch and educate the public, producing a positive effect on the policymakers.

Jewish, Catholic and Protestant organization publications are being approached to interview defectors and religious figures who know the persecution firsthand.

The National Endowment for the Preservation of Liberty is arranging a series of meetings with religious leaders and journalists. We will also help to produce an article by a prominent American religious figure for paid distribution.

C. Another Cuba on the North American Continent is unacceptable to almost all Americans. If the issue is picked up by constituents it would be a strong message for policymakers.

The National Endowment for the Preservation of Liberty is utilizing these arguments in the speakers program already underway. An American exiled Cuban has been commissioned to write an article for paid distribution throughout the U.S.

A Cuban exile leader has been added to the spokesman program.

D. Drugs and politics are a bad mix. Nicaragua's support for and role in narcotics trafficking are issues with which no one can publicly disagree.

We will ask Don Johnson of MIAMI VICE, or a strong anti-drug figure such as Rosie Greer, to give a briefing on the drug trafficking evidence the Administration has on the Sandinistas.

He will be asked to write an Op-Ed piece for national distribution through paid and direct placements.

The National Endowment for the Preservation of Liberty would seek to get this super-spokesman on major television shows such as TODAY and GOOD MORNING AMERICA.

We would also produce a news spot for satellite distribution.

E. The Sandinistas are violating human rights at an unprecedented level in this hemisphere.

The National Endowment for the Preservation of Liberty is providing radio, television and newspaper interviews with two researchers who have compiled a report on Sandinista human rights violations.

They are being commissioned to do an update on their report with a trip to Honduras and Costa Rica. On their return they will hold a Washington news conference and issue a report to Congress through a respected Senator or Congressman.

F. The Revolution of 1979 has been betrayed by the Sandinistas. The National Endowment for the Preservation of Liberty will produce a news spot for satellite distribution on the lives of three former Sandinistas who now fight with the FDN/UNO.

Congress

We expect to reach Congress primarily through the media we will be using for the policymakers. However, special briefings will also be used to educate specific target audiences within this group.

These briefings will be arranged by our co-sponsor, Sentinel. Briefings may feature drug enforcement experts or political scientists who have studied Cuban expansionism.

Freedom Fighter Leadership

The National Endowment for the Preservation of Liberty has begun to provide spokesmen training for the leadership and provide information feedback to reinforce that training. We will provide UNO leaders with public opinion analyses.

When possible, we are incorporating the UNO leadership in events and briefings that further their image of unity.

Conclusion

Without an opportunity to see the truth about the Sandinistas, the American public will defeat democracy in Nicaragua.

Through its public education program, the National Endowment for the Preservation of Liberty will give the President a chance to free this continent of communism. We will strike a decisive blow for democracy.

CENTRAL AMERICAN FREEDOM PROGRAM BUDGET

1. Television field projects

Personnel

- field producer
- camera man
- sound man
- correspondent

Equipment

- six cameras
- sound package
- editing machine
- character generators

Transportation

- airfares
- ground transportation
- local travel

Travel expenses

- in-country expenses
- U.S. travel for editing

Studio time

- in-country studio for editing
- U.S. production facilities

Tapes supplies

- tape stock
- battery packs
- lights and reflectors

($60,000 per month for 5 months) $ 300,000

2. Marketing of field TV programs

(5 projects at $24,000 per) 120,000

3. Speaking tour program

Tour to include:
- speaking engagements
- editorial board meetings
- television interviews
- radio interviews
- newspaper interviews
- briefings for church, business, labor, political, and college organization leaders

Costs for tours (January to March 15, 1986)

Travel (7 weeks, 2 speakers, each week $8,700)	$121,800	
Per diem for speakers ($220 per day, 5 days per trip, 7 weeks for 2 speakers per week)	15,400	
Expenses (ground transportation, phones, tips, $800 per trip, for 14 one week schedules)	11,200	
SUBTOTAL		148,400

4. Supplementary services, including:
- postage
- telephones
- telex
- couriers
- translations

($4,700 per month for 5 months)	27,750

5. Administration/Coordination, including:

Professional staff:
- 2 senior partners
- 1 local coordinator
- 1 Program Coordinator
- 1 Senior Writer
- 2 Account Executives
- 1 Media Coordinator

Verification of Placement
- clipping retrieval
- polling data assembling
- monitoring network feedback

($53,500 for 2 months, January to March 15)	107,000

6. Advertising and paid media		
Television advertising:		
Production of 4 TV messages	$ 80,000	
D.C. media buys	225,000	
Nationwide market buys	750,000	
SUBTOTAL		1,055,000
7. National Media Placement		
- Network and syndicated TV and Radio - National newspapers - National periodicals		158,850
8. Polling and research		
- national - local		83,000
GRAND TOTAL		$2,000,000

1. White House strategists targeted 53 representatives whose votes could be swayed to support Ronald Reagan in the Nicaraguan aid vote. The White House asked us to mount a campaign in support of the President's policies. We were given just five days to act. Our message appeared on prime time network stations in 12 districts. Eight of the representatives voted yes to support the President. The ad was so significant in the debate that it was shown on CBS network news.
2. Since January, 1985, ACT has begun a public education campaign in major newspapers across the U.S. These include the New York Times, the Washington Post, Washington Times, Dallas Morning News and others. These messages have been in direct support of Ronald Reagan. Special positions taken have been in support of the President's position in Nicaragua, and/his strategic defense iniative (the President's space defense proposal). A sample message is enclosed. The purpose of this public education campaign is to forcefully present conservative positions to the public in the leading liberal media. We are reaching out to the new majority the President is trying to consolidate.
3. ACT supported serveral conservative challenger candidates in the 1984 election. Among those we supported were Phil Gramm, (R., TX), Beau Boulter (R., TX) and Bob Dornan (R., CA). ACT was the only national political action committee that conducted independent expenditure campaigns to increase the number of Republican governorships. We won. Governor Arch Moore won in West Virginia by just 3% of the vote. We spent $52,000 in this campaign. ACT's support of Governor Arch Moore was considered crucial to his victory.
4. At the request of President Ronald Reagan, ACT participated in a humanitarian effort to aid the 100,000 homeless Nicaraguan refugees. ACT contributed over $150,000 to this effort in the last 60 days.

CENTRAL AMERICA SPEAKERS PROGRAM

IMPACT ANALYSIS/FACTS & FIGURES

States visited	12
Cities visited	56
Editorials visited	17
Total of editorials in support of the aid	33
Newspaper interviews	46
Articles published	25
Votes for aid (both Republican and Democrats)	32

C.A. SPEAKERS PROGRAM/IMPACT ANALYSIS & FINAL REPORT

-SUMMARY-

The following summary shows the number of cities visited, the number of editorials written in those cities and wheather or not they favored aid to the Nicaraguan Freedom Fighters, and the number of Republican and Democratic votes coming from those areas in support or against the aid.

CALIFORNIA	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	3		3	
Votes:	4		4	

FLORIDA	TOTAL	YES	NO	NEUTRAL
Cities visited:	10			
Editorials:	13	3	8	2
Votes:	12	10	2	

GEORGIA	TOTAL	YES	NO	NEUTRAL
Cities visited:	5			
Editorials:	8	3	3	2
Votes:	7	5	2	

KENTUCKY	TOTAL	YES	NO	NEUTRAL
Cities visited:	6			
Editorials:	7	2	4	1
Votes:	6		6	

MISSOURI	TOTAL	YES	NO	NEUTRAL
Cities visited:	3			
Editorials:	7	2	5	
Votes:	5		5	

MISSISSIPPI	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	3		3	
Votes:	2	1	1	

NORTH CAROLINA	TOTAL	YES	NO	NEUTRAL
Cities visited:	9			
Editorials:	11	10	1	
Votes:	7	1	6	

NEW MEXICO	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	3	2	1	
Votes:	2	1	1	

OKLAHOMA	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	2	2		
Votes:	5	3	2	

SOUTH CAROLINA	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	4	2	2	
Votes:	3	1	2	

TENNESSEE	TOTAL	YES	NO	NEUTRAL
Cities visited:	4			
Editorials:	6	2	4	
Votes:	4		4	

TEXAS	TOTAL	YES	NO	NEUTRAL
Cities visited:	9			
Editorials:	14	5	4	5
Votes:	23	11	12	

C.A. SPEAKERS PROGRAM/IMPACT ANALYSIS & FINAL REPORT

CALIFORNIA:

CITY: San Jose
VISITED: November 27 by Xavier Arguello

EDITORIALS: The Mercury-News: AGAINST

C. DISTRICTS: Democrats: Edwards (d. 10) VOTED NO
Mineta (d. 13) VOTED NO

CITY: San Francisco
VISITED: November 28-29 by Xavier Arguello

EDITORIALS: The Chronicle: AGAINST
The Examiner: AGAINST

C. DISTRICTS: Democrats: Burton (d. 5) VOTED NO
Boxer (d. 6) VOTED NO

FLORIDA:

CITY: Jacksonville
VISITED: February 5 by Alvaro Montalvan
March 10 by Carlos Icaza

EDITORIALS: The Florida Times-Union: IN SUPPORT
The Journal: IN SUPPORT

C. DISTRICTS: Democrats: Bennett (d. 3) VOTED YES
Chappell (d. 4) VOTED YES

CITY: Daytona Beach
VISITED: February 6 by Alvaro Montalvan
March 11 by Carlos Icaza

EDITORIALS: The Journal: AGAINST
The News: AGAINST
The News-Journal: AGAINST

C. DISTRICTS: Democrats: Chappell (d. 4) VOTED YES

CITY: Ft. Lauderdale
VISITED: February 7 by Alvaro Montalvan
March 12 by Carlos Icaza

EDITORIALS: News-Sun-Sentinel: AGAINST

C. DISTRICTS: Republicans: Shaw (d. 15) VOTED YES

CITY: Orlando
VISITED: February 10 by Alvaro Montalvan
March 13 by Carlos Icaza

EDITORIALS: The Sentinel: AGAINST

C. DISTRICTS: -Democrats: Nelson (d. 11) VOTED YES
-Republicans: McCollum (d. 5) VOTED YES

CITY: Lakeland
VISITED: February 11 by Alvaro Montalvan
March 14 by Carlos Icaza

EDITORIALS: The Ledger: IN SUPPORT

C. DISTRICTS: Republicans: Ireland (d. 10) VOTED YES

CITY:	Tampa
VISITED:	February 12 by Alvaro Montalvan
EDITORIALS:	Tampa Tribune: NEUTRAL
C. DISTRICTS:	Democrats: Gibbons (d. 7) VOTED YES
CITY:	Ocala
VISITED:	February 13 by Alvaro Montalvan
EDITORIALS:	The Star-Banner: AGAINST
C. DISTRICTS:	Democrats: MacKay (d. 6) VOTED NO
CITY:	Gainesville
VISITED:	February 14 by Alvaro Montalvan March 17 by Carlos Icaza
EDITORIALS:	The Gainesville Sun: AGAINST
C. DISTRICTS:	Democrats: MacKay (d. 6) VOTED NO
CITY:	Tallahasee
VISITED:	March 18 by Carlos Icaza
EDITORIALS:	The Tallahasee Democrat: AGAINST
C. DISTRICTS:	Democrats: Fuqua (d. 2) VOTED YES
CITY:	Panama City
VISITED:	March 19 by Carlos Icaza
EDITORIALS:	The News Herald: NEUTRAL
C. DISTRICTS:	Democrats: Hutto (d. 1) VOTED YES

GEORGIA

CITY: Atlanta
VISITED: March 10 by Teofilo Archibold
March 17 by Mario Calero
March 19 by Mario Calero

EDITORIALS: -The Constitution: AGAINST
-The Journal: AGAINST
-The Daily World: IN SUPPORT

C. DISTRICTS: -Republicans: Swindall (d. 4) VOTED YES
Ginrich (d. 6) VOTED YES
-Democrats: Fowler (d. 5) VOTED NO

CITY: Marietta
VISITED: March 11 by Teofilo Archibold

EDITORIALS: The Daily Journal: IN SUPPORT

C. DISTRICT: Democrats: Darden (d. 7) VOTED YES

CITY: Macon
VISITED: March 12 by Teofilo Archibold

EDITORIALS: The Telegraph News: AGAINST

C. DISTRICTS: Democrats: Rowlands (d. 8) VOTED YES

CITY: Columbus
VISITED: March 18 by Teofilo Archibold

EDITORIALS: The Enquirer: COMPROMISE
The Ledger: COMPROMISE

C. DISTRICTS: Democrats: Ray (d. 3) VOTED NO

CITY: Savannah
VISITED: March 19 by Teofilo Archibold

EDITORIALS: The Morning News: IN SUPPORT

C. DISTRICTS: Democrats: Thomas (d. 1) VOTED YES

KENTUCKY

CITY: Louisville
VISITED: February 24 by Xavier Arguello

EDITORIALS: The Courier-Journal: AGAINST
The Times: AGAINST

C. DISTRICTS: Democrats: Mazzoli (d. 3) VOTED NO

CITY: Frankfort
VISITED: February 25 by Xavier Arguello

EDITORIALS: The State Journal: AGAINST

C. DISTRICTS: Republicans: Hopkins (d. 6) VOTED NO

CITY: Lexington
VISITED: February 26 by Xavier Arguello

EDITORIALS: The Herald-Leader: AGAINST

C. DISTRICTS: Republicans: Hopkins (d. 6) VOTED NO

CITY: Bowling Green
VISITED: February 27 by Xavier Arguello

EDITORIALS: The Daily News: NEUTRAL

C. DISTRICTS: Democrats: Natcher (d. 2) VOTED NO

CITY: Owensboro
VISITED: February 28 by Xavier Arguello

EDITORIALS: The Messenger-Inquirer: IN SUPPORT

C. DISTRICTS: Democrats: Natcher (d. 2) VOTED NO

CITY: Paducah
VISITED: February 28 by Donald Lacayo

EDITORIALS: The Paducah-Sun: IN SUPPORT

C. DISTRICTS: Democrats: Hubbard (d. 1) VOTED NO

MISSOURI

CITY: St. Louis/St. Charles
VISITED: January 13 by Xavier Arguello
January 14 by Xavier Arguello
February 17 by Donald Lacayo
March 18 by Mario Calero

EDITORIALS: The Globe Democrat: IN SUPPORT
The Post Dispatch: AGAINST

C. DISTRICTS: Democrats: Clay (d. 1) VOTED NO
Gephardt (d. 3) VOTED NO
Young (d. 2) VOTED NO

CITY: Columbia
VISITED: January 15 by Xavier Arguello
February 18 by Donald Lacayo

EDITORIALS: The Missourian: AGAINST
The Daily Tribune: IN SUPPORT

C. DISTRICTS: Democrats: Volkmer (d. 9) VOTED NO

CITY: Jefferson City
VISITED: January 16 by Xavier Arguello
February 19 by Donald Lacayo

EDITORIALS: The Capital News: AGAINST
The Post-Tribune: AGAINST
The News-Tribune: AGAINST

C. DISTRICTS: Democrats: Skelton (d. 4) VOTED YES

MISSISSIPPI

CITY:	Jackson
VISITED:	January 18 by Xavier Arguello February 20 by Donald Lacayo
EDITORIALS:	The Clarion-Ledger: AGAINST The Daily-News: AGAINST
C. DISTRICTS:	Democrats: Dowdy (d. 4) VOTED YES

CITY:	Tupelo
VISITED:	February 21 by Donald Lacayo
EDITORIALS:	NE Mississippi Daily-Journal: AGAINST
C. DISTRICTS:	Democrats: Whitten (d. 1) VOTED NO

NORTH CAROLINA

CITY: Winston-Salem
VISITED: January 14 by Mario Calero
February 27 by Teofilo Archibold
February 28 by Teofilo Archibold

EDITORIALS: The Winston-Salem Journal: IN SUPPORT

C. DISTRICTS: Democrats: Neal (d. 5) VOTED NO

CITY: Kannapolis
VISITED: January 15 by Mario Calero
March 5 by Teofilo Archibold

EDITORIALS: The Daily-Independent: AGAINST

C. DISTRICTS: Democrats: hefner (d. 8) VOTED NO

CITY: Durham
VISITED: January 16 by Mario Calero
January 20 by Mario Calero
February 25 by Teofilo Archibold

EDITORIALS: The Morning-Herald: IN SUPPORT
The Sun: IN SUPPORT

C. DISTRICTS: Democrats: Valentine (d. 2) VOTED NO

CITY: Raleigh
VISITED: January 17 by Mario Calero
February 26 by Teofilo Archibold

EDITORIALS: The News-Observer: IN SUPPORT
The Times: IN SUPPORT

C. DISTRICTS: Republicans: Cobey (d. 4) VOTED YES

CITY: Wilmington
VISITED: January 21 by Mario Calero
March 3 by Teofilo Archibold

EDITORIALS: The Morning Star: AGAINST

C. DISTRICTS: Democrats: Rose (d. 7) VOTED NO

CITY: Fayetteville
VISITED: January 22 by Mario Calero
March 4 by Teofilo Archibold

EDITORIALS: The Observer-Times: IN SUPPORT

C. DISTRICTS: Democrats: Rose (d. 7) VOTED NO

CITY: Wilson
VISITED: February 24 by Teofilo Archibold

EDITORIALS: The Daily Times:

C. DISTRICTS: Democrats: Valentine (d. 2) VOTED NO

NEW MEXICO

CITY: Albuquerque/Santa Fe
VISITED: November 22 by Xavier Arguello

EDITORIALS: The Journal: IN SUPPORT
The Tribune: IN SUPPORT
The New Mexican: AGAINST

C. DISTRICTS: -Republicans: Lujan (d. 1) VOTED YES
-Democrats: Richardson (d. 3) VOTED NO

OKLAHOMA

CITY: Tulsa
VISITED: November 25 by Xavier Arguello

EDITORIALS: The Tulsa World: IN SUPPORT

C. DISTRICTS: Democrats: Jones (d. 1) VOTED YES
Synar (d. 2) VOTED NO

CITY: Oklahoma City
VISITED: November 26 by Xavier Arguello

EDITORIALS: The Daily Oklahoman: IN SUPPORT

C. DISTRICTS: -Democrats: McCurdy (d. 4) VOTED NO
English (d. 6) VOTED YES
-Republicans: Edwards (d. 5) VOTED YES

SOUTH CAROLINA

CITY: Rock Hill/Anderson
VISITED: February 11 by Mario Calero
March 6 by Teofilo Archibold
March 7 by Teofilo Archibold

EDITORIALS: The Evening-Herald: AGAINST
The Independent-Mail: AGAINST

C. DISTRICTS: Democrats: Derrick (d. 3) VOTED NO
Spratt (d. 5) VOTED NO

CITY: Columbia
VISITED: February 12 by Mario Calero

EDITORIALS: The State: IN SUPPORT
The Record: IN SUPPORT

C. DISTRICTS: Republicans: Spence (d. 2) VOTED YES

TENNESSEE

CITY: Chattanooga
VISITED: January 27 by Xavier Arguello
February 24 by Donald Lacayo

EDITORIALS: The News-Free Press: IN SUPPORT
The Times: AGAINST

C. DISTRICTS: Democrats: Lloyd (d. 3) VOTED NO

CITY: Nashville
VISITED: January 28 by Xavier Arguello
January 29 by Xavier Arguello
February 26 by Donald Lacayo
March 12 by Jimmy Hassan
March 13 by Jimmy Hassan

EDITORIALS: The Tennessean: AGAINST
The Banner: IN SUPPORT

C. DISTRICTS: Democrats: Boner (d. 5) VOTED NO

CITY: Columbia
VISITED: January 30 by Xavier Arguello
February 25 by Donald Lacayo

EDITORIALS: The Daily Herald: AGAINST

C. DISTRICTS: Democrats: Gordon (d. 6) VOTED NO

CITY: Jackson
VISITED: January 31 by Xavier Arguello
February 27 by Donald Lacayo

EDITORIALS: The Jackson Sun: AGAINST

C. DISTRICTS: Democrats: Jones (d. 8) VOTED NO

TEXAS

CITY: Houston
VISITED: November 18 by Xavier Arguello

EDITORIALS: The Post: AGAINST
The Chronicle: NEUTRAL

C. DISTRICTS: -Republicans: Barton (d. 6) VOTED YES
Archer (d. 7) VOTED YES
Fields (d. 8) VOTED YES
DeLay (d.22) VOTED YES
-Democrats: Brooks (d. 9) VOTED NO
Leland (d.18) VOTED NO
Andrews (d.25) VOTED NO

CITY: Dallas/Ft. Worth
VISITED: November 19 by Xavier Arguello
November 20 by Xavier Arguello
February 19 by Teofilo Archibold
February 20 by Teofilo Archibold
March 16 by Jimmy Hassan
March 17 by Jimmy Hassan

EDITORIALS: The Morning News: IN SUPPORT
The Times-Herald: AGAINST

C. DISTRICTS: -Republicans: Bartlett (d. 3) VOTED YES
Armey (d.26) VOTED YES
-Democrats: Hall (d. 4) VOTED YES
Bryant (d. 5) VOTED NO
Frost (d.24) VOTED NO

CITY: El Paso
VISITED: November 21 by Xavier Arguello
February 17 by Teofilo Archibold

EDITORIALS: The Times: NEUTRAL
The Herald-Post: IN SUPPORT

C. DISTRICTS: Democrats: Coleman (d. 16) VOTED NO

CITY: Abiline
VISITED: February 18 by Teofilo Archibold

EDITORIALS: The Reporter-News: IN SUPPORT

C. DISTRICTS: Democrats: Stenholm (d. 17) VOTED YES

CITY: Austin
VISITED: February 21 by Teofilo Archibold

EDITORIALS: The American Statesman: NEUTRAL

C. DISTRICTS: -Democrats: Pickle (d. 10) VOTED NO
-Republicans: Sweeney (d. 14) VOTED YES

CITY: San Antonio
VISITED: March 3 by Xavier Arguello
March 14 by Jimmy Hassan
March 15 by Jimmy Hassan

EDITORIALS: The Light: AGAINST
The Express: AGAINST

C. DISTRICTS: -Democrats: Gonzalez (d. 20) VOTED NO
Bustamante (d. 23) VOTED NO
-Republicans: Loeffler (d. 21) VOTED YES

CITY: Corpus Christi
VISITED: March 4 by Xavier Arguello

EDITORIALS: The Caller-Times: IN SUPPORT

C. DISTRICTS: Democrats: Coleman (d. 16) VOTED NO
OrtiZ (d. 27) VOTED YES

CITY: Galveston
VISITED: March 5 by Xavier Arguello

EDITORIALS: The Daily News: NEUTRAL

C. DISTRICTS: Democrats: Brooks (d. 9) VOTED NO

CITY: Beaumont/Pt. Arthur
VISITED: March 6 by Xavier Arguello
March 7 by Xavier Arguello

EDITORIALS: The Enterprise: IN SUPPORT
The News: NEUTRAL

C. DISTRICTS: Democrats: Brooks (d. 9) VOTED NO

*** END ***

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N.E.P.L. "Freedom Fighters" TV

National Spot Placement

Television Analysis

Market Overview

Market	# of Spots	HH GRPs	Total Cost
MIAMI/WEST PALM BEACH	29	186	$ 18,070.
ORLANDO/DAYTONA BEACH	62	568	$ 27,250.
TAMPA/ST. PETERSBURG	42	289	$ 8,920.
JACKSONVILLE	66	500	$ 13,000.
SAN ANTONIO	29	430	$ 18,430.
AUSTIN	73	605	$ 16,950.
McALLEN/BROWNSVILLE	30	500	$ 4,450.
CORPUS CHRISTI	40	571	$ 4,905.
NASHVILLE	35	641	$ 21,315.
MEMPHIS	48	389	$ 10,530.
CHATTANOOGA	58	465	$ 8,910.
RALEIGH/DURHAM	47	471	$ 21,100.
GREENVILLE/NEW BERN	40	502	$ 4,200.
GREENVILLE/SPART./ASHEVILLE	30	410	$ 15,000.
COLUMBIA	35	277	$ 6,290.
MACON	26	458	$ 6,415.
SAVANNAH	67	532	$ 5,465.
ALBANY	24	493	$ 2,820.
JACKSON, MS	56	715	$ 9,380.
COLUMBUS/TUPELO	62	374	$ 4,640.

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N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis
Market Overview

Page Two

Market	# of Spots	HH GRPs	Total Cost
OKLAHOMA CITY	16	200	$ 6,675.
TULSA	62	611	$ 16,290.
LOUISVILLE	40	403	$ 11,520.
NATIONAL MARKET TOTALS:	1017	10,590	$262,525.
WASHINGTON, D.C. TOTALS:	101	867	$ 99,225.
NATIONAL PROGRAM TOTALS:	1118	11,457	$361,750.

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N.E.P.L. "Freedom Fighters" TV

National Spot Placement

Television Analysis

MIAMI/WEST PALM BEACH

Fascell (D-19th CD)	Yes
Pepper (D-18th CD)	Yes
Larry Smith (D-16th CD)	Yes
Shaw (R-15th CD)	Yes
LEHMAN (D-17th CD)	NO
Mica (D-14th CD)	Yes

29 Spots	186 HH GRPs	$ 18,070.

ORLANDO/DAYTONA BEACH

MACKAY (D-6th CD)	NO
Chappell (D-4th CD)	Yes
McCollum (R-5th)	Yes
Nelson (D-11th CD)	Yes
Ireland (R-10th CD)	Yes

62 Spots	568 HH GRPs	$ 27,250.

TAMPA/ST. PETERSBURG

MACKAY (D-6th CD)	NO
Gibbons (D-7th CD)	Yes
Young (D-8th CD)	Yes
Bilirakis (R-9th CD)	Yes
Ireland (R-10th CD)	Yes

42 Spots	289 HH GRPs	$ 8,920.

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N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Two

JACKSONVILLE

Bennett (D-3rd CD)	Yes
MACKAY (D-6th CD)	NO
Fuqua (D-2nd CD)	Yes
Chappell (D-4th CD)	Yes
Thomas (D-1st CD GA.)	Yes
Rowland (D-8th CD GA)	Yes

66 Spots 500 HH GRPs $ 13,000.

SAN ANTONIO

DE LA GARZA (D-15th CD)	NO
BUSTAMANTE (D-23rd CD)	NO
PICKLE (D-10th CD)	NO
GONZALEZ (D-20th CD)	NO
Loeffler (R-21st CD)	Yes
Sweeney (R-14th CD)	Yes

29 Spots 430 HH GRPs $ 18,430.

AUSTIN

PICKLE (D-10th CD)	NO
Leath (D-11th)	Yes
Sweeney (R-14th CD)	Yes
Loeffler (R-21st CD)	Yes

73 Spots 605 HH GRPs $ 16,950.

McALLEN/BROWNSVILLE

DE LA GARZA (D-15th CD)	NO
Ortiz (D-27th)	Yes

30 Spots 500 HH GRPs $ 4,450.

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N.E.P.L. "Freedom Fighters" TV
National Spot Placment
Television Analysis

Page Three

CORPUS CHRISTI

DE LA GARZA (D-15th CD)	NO
Sweeney (R-14th CD)	Yes
Ortiz (D-27th CD)	Yes

40 Spots	571 HH GRPs	$ 4,905.

NASHVILLE

GORDON (D-6th CD)	NO
COOPER (D-4th CD)	NO
JONES (D-8th CD)	NO
HUBBARD (D-1st CD KY)	NO
NATCHER (D-2nd CD KY)	NO
Rogers (R-5th CD KY)	Yes
BONER (D-5th CD)	NO
Sundquist (R-7th CD)	Yes

35 Spots	641 HH GRPs	$ 21,315.

MEMPHIS

JONES (D-8th CD)	NO
WHITTEN (D-1st CD MS)	NO
ALEXANDER (D-1st CD ARK)	NO
FORD (D-9th CD)	NO
Sundquist (R-7th CD)	Yes

48 Spots	389 HH GRPs	$ 10,530.

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N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Four

CHATTANOOGA

DUNCAN (D-2nd CD)	NO
LLOYD (D-3rd CD)	NO
COOPER (D-4th CD)	NO
Flippo (D-5th AL)	Yes
Darden (D-7th GA)	Yes
Jenkins (D-9th GA)	Yes

58 Spots 465 HH GRPs $ 8,910.

RALEIGH/DURHAM

WHITNEY (D-3rd CD)	NO
HEFNER (D-8th CD)	NO
VALENTINE (D-2nd CD)	NO
Cobey (R-4th CD)	Yes
Coble (R-6th CD)	Yes
ROSE (D-7th CD)	NO

47 Spots 471 HH GRPs $ 21,100.

GREENVILLE/NEW BERN

JONES (D-1st CD)	NO
VALENTINE (D-2nd CD)	NO
WHITLEY (D-3rd CD)	NO

40 Spots 502 HH GRPs $ 4,200.

GREENVILLE/SPARTANBURG/ASHEVILLE

A 0076199

DERRICK (D-3rd CD)	NO
SPRATT (D-5th CD)	NO
Campbell (R-4th CD)	Yes

the robert goodman agency, inc.

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Five

GREENVILLE/SPARTANBURG/ASHEVILLE (Continued)

Hendon (R-11th CD NC)	Yes	
Jenkins (D-9th CD GA)	Yes	
Barnard (D-10th CD GA)	Yes	
30 Spots	410 HH GRPs	$ 15,000.

COLUMBIA

SPENCE (D-2nd CD)	NO	
DERRICK (D-3rd CD)	NO	
Tallon (D-6th CD)	Yes	
35 Spots	277 HH GRPs	$ 6,290.

MACON

RAY (D-3rd CD)	NO	
Rowland (D-8th CD)	Yes	
26 Spots	458 HH GRPs	$ 6,415.

SAVANNAH

Thomas (D-1st CD)	Yes	
Hartnett (R-1st CD SC)	Yes	
67 Spots	532 HH GRPs	$ 5,465.

ALBANY

A 0076200

Hatcher (D-2nd CD)	Yes	
RAY (D-3rd CD)	NO	
24 Spots	493 HH GRPs	$ 2,820.

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Six

JACKSON, MS

Franklin (R-2nd CD)	Yes
Montgomery (D-3rd CD)	Yes
Dowdy (D-4th CD)	Yes

56 Spots	715 HH GRPs	$ 9,380.

COLUMBUS/TUPELO

WHITTEN (D-1st CD)	NO
Franklin (R-2nd CD)	Yes
Montgomery (D-3rd CD)	Yes

62 Spots	374 HH GRPs	$ 4,640.

OKLAHOMA CITY

Watkins (D-3rd CD)	Yes
McCURDY (D-4th CD)	NO
Edwards (R-5th CD)	Yes
English (D-6th CD)	Yes
SYNAR (D-2nd CD)	NO

16 Spots	200 HH GRPs	$ 6,675.

TULSA

Jones (D-1st CD)	Yes
Watkins (D-3rd CD)	Yes
SYNAR (D-2nd CD)	NO
Edwards (R-5th CD)	Yes

62 Spots	611 HH GRPs	$ 16,290.

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Seven

LOUISVILLE

MAZZOLI (D-3rd CD)	NO
NATCHER (D-2nd CD)	NO
Snyder (R-4th CD)	Yes
HOPKINS (R-6th CD)	NO
HAMILTON (D-9th CD IND)	NO

40 Spots	403 HH GRPs	$ 11,520.

NICARAGUA EFFORT
TARGETED CONGRESSIONAL REPRESENTATIVES

STATE	PARTY	REPRESENTATIVE	DIST. OFF.	DIST. PHONE NO.
**AR	D	TOMMY ROBINSON	LITTLE ROCK(2)	(501) 378-5941
CA	R	ED ZSCHAU	SUNNYDALE(12)	(408) 730-8555
**CT	R	NANCY JOHNSON	NEW BRITAIN(6)	(203) 223-8412
CT	R	JOHN ROWLAND	WATERBURY(5)	(203) 573-1418
**FL	D	DON FUQUA	TALLAHASSEE(2)	(904) 681-7434
**FL	D	CHARLES BENNETT	JACKSON(3)	(904) 791-2587
**FL	D	BUDDY MAC KAY	OCALA(6)	(904) 351-8777
FL	D	SAM GIBBONS	TAMPA(7)	(813) 228-2101
FL	D	DANTE B. FASCELL	MIAMI(19)	(305) 350-5301
FL	D	DAN MICA	PALM BEACH(14)	(305) 732-4000
FL	D	CLAUDE PEPPER	MIAMI(18)	(305) 350-5565
FL	D	LAWRENCE SMITH	HOLLYWOOD(16)	(305) 987-6484
GA	D	CHARLES HATCHER	ALBANY(2)	(912) 439-8067
GA	D	J. ROY ROWLAND	DUBLIN(8)	(912) 275-0024
GA	D	ROBERT L. THOMAS	HOUMA(3)	(504) 876-3303
HI	D	CECIL HEFTEL	HONOLULU(1)	(808) 546-8997
**IA	R	TOM TAUKE	DUBUQUE(2)	(319) 557-7740
**ID	D	RICHARD STALLINGS	BOISE(2)	(208) 334-1953
IL	R	HARRIS FAWELL	HINDSDALE(13)	(312) 655-2052
**IL	D	MELVIN PRICE	E. ST. LOUIS(21)	(618) 274-2200
**KY	D	ROMANO MAZZOLI	LOUISVILLE(3)	(502) 582-5129
LA	D	CATHY LONG	ALEXANDRIA(8)	(318) 473-7430
MD	D	BEVERLY BYRON	FREDRICK(6)	(301) 662-8622
ME	R	JOHN MC KERNAN	PORTLAND(1)	(207) 780-3381
ME	R	OLYMPIA SNOWE	BANGOR(2)	(207) 945-0432
MI	R	ROBERT DAVIS	MARQUETTE(11)	(906) 228-3700
**MO	D	IKE SKELTON	BLUE SPRINGS(4)	(816) 228-4242
**MS	D	JAMIE WHITTEN	CHARLESTON(1)	(601) 647-2413
**NC	D	CHARLES WHITLEY	GOLDSBORO(3)	(919) 736-1844
**NC	D	BILL HEFNER	CONCORD(8)	(704) 933-1615
**NE	R	DOUGLAS BEREUTER	LINCOLN(1)	(402) 471-5400
**NH	R	JUDD GREGG	CONCORD(2)	(603) 228-0315
NJ	R	MARGE ROUKEMA	RIDGEWOOD(5)	(201) 447-3900
**NJ	R	MATTHEW RINALDO	UNION(7)	(201) 687-4235
NY	D	MARIO BIAGGI	BRONX(19)	(212) 931-0100
NY	R	HAMILTON FISH	POUGH KEEPSIE(21)	(914) 452-4220
NY	R	BENJAMIN GILMAN	MIDDLETOWN(22)	(914) 343-6669
**NY	R	FRANK HORTON	ROCHESTER(29)	(716) 263-6270
NM	D	BILL RICHARDSON	SANTA FE(3)	(505) 988-6177
**OH	R	WILLIS GRADISON	CINCINNATI(2)	(513) 684-2456
**OK	D	JIM JONES	TULSA(1)	(918) 681-7111
**OK	D	WES WATKINS	ADA(13)	(405) 436-1980
**OK	D	DAVE MC CURDY	NORMAN(4)	(405) 329-6500
OK	D	GLENN ENGLISH	OKLAHOMA CTY(6)	(405) 231-5511
PA	D	JOHN MURTHA	JOHNSTOWN(12)	(814) 535-2462
PA	D	PAUL KANJORSKI	WILKES BARRE(11)	(717) 825-2200
**PA	R	BILL GOODLING	YORK(19)	(717) 843-8887

STATE	PARTY	REPRESENTATIVE	DIST. OFF.	DIST. PHONE NO.
**PA	R	TOM RIDGE	ERIE(21)	(814) 456-2038
**PA	R	BILL CLINGER	WARREN(23)	(814) 726-3910
PA	R	LAWRENCE COUGHLIN	NORRISTOWN(13)	(215) 277-4040
SC	D	BUTLER DERRICK	ANDERSON(3)	(803) 224-7401
SC	D	JOHN SPRATT	ROCK HILL(5)	(803) 327-1114
**TN	D	MARLYN LLOYD	CHATTANOOGA(3)	(615) 267-9108
TN	D	WILLIAM BONER	NASHVILLE(5)	(615) 251-5295
TN	D	JIM COOPER	SHELBYVILLE(4)	(615) 684-1114
**TN	D	BART GORDON	MURFREESBORO(6)	(615) 896-1986
**TN	D	ED JONES(JOHNSON)	YORKVILLE(8)	(901) 643-6123
**TX	D	MIKE ANDREWS	HOUSTON(25)	(713) 229-2244
TX	D	ALBERT BUSTAMANTE	SAN ANTONIO(23)	(512) 229-6191
TX	D	JIM CHAPMAN	SULPHUR SPRINGS	(214) 885-8682
TX	D	RON COLEMAN	EL PASO(16)	(915) 541-7650
TX	D	E. de la GARZA	MC ALLEN(15)	(512) 682-5545
TX	D	SAM HALL	MARSHALL(1)	(214) 938-8386
TX	D	SOLOMON ORTIZ	CORP CHRISTI(27)	(512) 883-5866
**TX	D	J.J. PICKLE	AUSTIN(10)	(512) 482-5921
VA	D	DAN DANIEL	DANVILLE(5)	(804) 792-1280
VA	D	NORMAN SISISKY	PORTSMOUTH(4)	(804) 393-2068
WA	R	SID MORRISON	KENNEWICK(4)	(509) 576-9702
WA	R	ROD CHANDLER	BELLEVUE(8)	(206) 442-0116
WI	D	LES ASPIN	JONESVILLE(1)	
**WI	R	STEVE GUNDERSON	BLK RIVER FALLS	(715) 284-7431
**WV	D	ALAN MOLLAHAN	CLARKSBURG	(304) 623-4422

7/7/85

Helen Marie Taylor: ask her to give

Rich Miller — C-H 37841

1. WH authorization letter for us + h
   - a. commercials
   - b. criteria:
     - past success
     - Quick turnaround time
   - c. due by noon on Tues.
2. authorization letter from Calero empowering Rich + us to raise $ immediately
3. meeting early Thurs. a.m.
4. give us 20 names of donors

promised:

1. to raise $50K for their projects
2. $30K as their fee for the authorization

At DC – 10 Maryland

Mr. Notankiewicz	5.0
Anderson	2.5
Brandon	5.0
Dreisell	10.0
Harwood	3.0
Mrs. Gerker	1.0
Hopper (?)	5.0 (3 Hoppers)
Jones	2.5
[illegible]	3.0
Bill O'Neil	2.5
Ramsey	2.0
Warren	2.0 / 4.000

$43,500 or 47,500

Green $

Barbara	150,000
Coffee	200,000
O'Boyle	58,000
Salwasser	30,000
Anderson	20,000
Lloyd	20,000
Allen	5,000
Brandt	5,000
Buck	1,000 → }501,000

Kim	80,000
Ledbetter	5,000
	85,000

→ 586,000

new list of $

Weed-said Feb. $

new list of toys $ next monday

troops for $

Letter from Ally to people double

How much does Elliott know? new letter

aid request $ 100 million Perot

Dave Fischer + D Martz - no

Phase I

optimum Cubans split Sandinista's. [illegible]
declare for freedom fighters. Congress acts.

① Credibility of RR peace efforts
② Demise program of Contras "character of movement"
③ more sinking guns. -objective upsetting of Eastern ties.
④ Internal repression aspects.

↓

must convey threat
to U.S. interests.
Panama canal and
allied nations.
Develop the threat.

Possible Commercials
> Family at [illegible]
> Priest in jail
> equipment, coming off [illegible]
> Indians getting murdered.

Types who may be invited to dinner

Please fill in names:

A. embassy staff or/and Ambassadors
B. Congressional specialists
C. " " staff
D. Senator Lugar or others
E. Types of press
F. V.P. Staff
G. Presidential Staff
H. Charles Wick or others
I. UNO leaders

To Prepare H.S.A.C.

- Division of remarks by President and other speakers at White House
- Speaking order at dinner
- Press conference statement

White House briefing: II

COB > 20 individuals at 10,000 each.
> Calero appear at dinner

> Spot with ~~somewhere~~ in White House
> briefing in ~~Roosevelt~~ EOB.

White House Briefing III
July 18 or 17

File only

ANALYSIS II A

Channell Ex. 2

CARL CHANNELL AFFILIATED COMPANIES
STATEMENT OF OPERATIONS - 1985

	NEPL (1)(9)	WESTERN GOALS FOUNDATION (5)(9)(10)	WESTERN GOALS ENDOWMENT (6)(9)(10)	CHANNELL (7)(9)	SENTINEL (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) FEDERAL ELECTION FUND (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) FEDERAL ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE FOUNDATION (8)(9)	TOTAL (4)
REVENUES											
CONTRIBUTIONS	3,360,990			24,449				34,799	455,930		3,876,168
OTHER REVENUE	938	INACTIVE	INACTIVE	-	INACTIVE	INACTIVE	INACTIVE			INACTIVE	938
TOTAL	3,361,928			24,449				34,799	455,930		3,877,106
EXPENDITURES											
PROJECT EXPENDITURES											
GOODMAN	168,593								114,085		282,678
WASHINGTON POST									11,000		11,000
WASHINGTON TIMES								1,940	13,052		14,992
NEW YORK TIMES									27,627		27,627
MEDIA ADS									46,621		46,621
OTHER	238,693										238,693
CONSULTING AND PUBLIC RELATIONS											
PMI	33,595										33,595
DAN CONRAD	40,000										40,000
OTHER	74,366										74,366
GENERAL AND ADMINISTRATIVE											
TRAVEL	44,086										44,086
CARL CHANNELL	86,800								44,300		131,100
PAYROLL	74,909			3,922							78,831
RENT	20,000			11,350							31,350
HYATT REGENCY								1,598			1,598
OTHER	127,251										127,251
LEGAL AND ACCOUNTING											
STEVE MCMAHON	18,010							2,820	16,500		37,330
SEDAM & HERGE - LEGAL								1,000			1,000
OTHER	10,476							1,000			11,476
OTHER EXPENDITURES											
NAF CONTRIBUTION	85,000										85,000
NIC. DEV. COUNCIL	30,000										30,000
IBC	1,412,001								17,000		1,429,001
DURETTE FOR GOV.									16,000		16,000
PORTER LEIGHTON FOR GOV.									5,000		5,000
DAWKINS CONTRIB.								1,000			1,000
CAMPBELL FOR CONGRESS								1,000			1,000
AUSTIN AMERICA								5,322			5,322
FURNISHING								2,000			2,000
VALLEE, INC.								1,400			1,400
OTHER				14,484				13,374	155,513		183,371
TOTAL	2,463,780			29,756				32,454	466,698		2,992,688
NET REVENUE (EXPENDITURES)	898,148			(5,307)				2,345	(10,768)		884,418

SEE FOOTNOTES ON ANALYSIS II G

ANALYSIS II B

CARL CHANNELL AFFILIATED COMPANIES
STATEMENT OF OPERATIONS - 1986

	NEPL (1)(9)	WESTERN GOALS FOUNDATION (5)(9)(10)	WESTERN GOALS ENDOWMENT (6)(9)(10)	CHANNELL (7)(9)	SENTINEL (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) FEDERAL ELECTION FUND (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) FEDERAL ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE FOUNDATION (8)(9)	TOTAL (4)
REVENUES											
CONTRIBUTIONS	7,024,939	460,959	111,782	1,788	280,320	47,872	55,825	70,025	102,510	63,725	8,219,745
TRANSFERS IN		95,408	10,200	50,000	122,997		5,000	5,000	2,900		291,505
OTHER REVENUE	43,296	(8,000)	(3,170)	93,075	364				52	(3,800)	121,817
TOTAL	7,068,235	548,367	118,812	144,863	403,681	47,872	60,825	75,025	105,462	59,925	8,633,067
EXPENDITURES											
TRANSFERS OUT	196,497	200	86,908			5,000		2,900			291,505
PROJECT EXPENDITURES											
GOODMAN	838,019				130,018			28,000	805		996,842
PRUDENCA	90,190										90,190
EDELMAN	92,324										92,324
BLACKWELL	22,500										22,500
PATRICIA BECK	100,000										100,000
MINER & FRASER					15,000						15,000
BLACKMORE & KIEWLON	84,900					22,000	12,750				119,650
FINKELSTEIN	114,900										114,900
KUYKENDALL	14,810				11,303						26,113
MEDIA ADS							5,944		27,354		33,298
NOFZIGER	40,000			40,000							80,000
NEW YORK TIMES	36,137										36,137
BALTIMORE SUN					20,756						20,756
BRUCE CAMERON - LDA	16,000										16,000
CREATIVE TECH SERV		40,798									40,798
LICHENSTEIN					36,700						36,700
WASHINGTON TIMES					19,127		9,156	5,944			34,227
NRM FILMS								29,000			29,000
OTHER	149,421										149,421
FUNDRAISING											
DIRECT FUNDRAISING	57,783										57,783
DIRECT MAIL FUNDRAISING	45,273	61,149									106,422
TRAVEL - FUNDRAISING	175,767	11,464									187,231
OTHER	9,784	4,292									14,076

CARL CHANNELL AFFILIATED COMPANIES
STATEMENT OF OPERATIONS - 1986

	NEPL (1)(9)	WESTERN GOALS FOUNDATION (5)(9)(10)	WESTERN GOALS ENDOWMENT (6)(9)(10)	CHANNELL (7)(9)	SENTINEL (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) FEDERAL ELECTION FUND (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) FEDERAL ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE FOUNDATION (8)(9)	TOTAL (4)
CONSULTING AND PUBLIC RELATIONS											
DAN CONRAD	63,500	10,640									74,140
IBC	89,500	35,000									124,500
PERFORMANCE CONSULTING	20,983	5,715									26,698
DOUG FRANCE	6,754	1,070					975				8,799
CARL CHANNELL	15,000	26,400				2,500	9,000				52,900
ERIC OLSON	27,500						700				28,200
RAFAEL FLORES	11,312										11,312
CLIFF SMITH	8,315						4,350				12,665
KUYKENDALL	5,303										5,303
PUBLIC RELATIONS	58,027										58,027
OTHER	20,506										20,506
GENERAL AND ADMINISTRATIVE											
PAYROLL	536,301	61,622									597,923
RENT	105,788	45,198		93,075							244,061
UTILITIES	33,620	17,483									51,103
OFFICE SUPPLIES	18,377	4,222									22,599
PRINTING	27,856										27,856
INSURANCE	12,119	1,993									14,112
EQUIPMENT RENTAL	14,066	4,321									18,387
BROKERAGE FEES	14,496										14,496
COURIER SERVICE	22,267	1,823									24,090
TRAVEL							7,500				7,500
OTHER	65,527	21,918									87,445
LEGAL AND ACCOUNTING											
HEIGE, SPARKS, BONDI	22,411	11,013				1,157	1,956				36,537
STEVE RUMMAN	57,900	13,650									71,550
COOPERS & LYBRAND	23,452										23,452
OTHER	1,293					247	132				1,672
OTHER EXPENDITURES											
IBC	3,533,459	16,762			589						3,550,810
IC	450,000										450,000
GULF & CARRIB.	10,000										10,000
FURLENZA		12,342									12,342
BROWN LINCOLN				10,000							10,000
NORTH DEFENSE					40,000						40,000
CENTER FOR DEMOCRACY					40,000						40,000
DALE FOR SENATE						3,000		3,000			6,000
CONTRIB FOR CONGRESS						8,000					8,000
OTHER		36,032	8,241	2,271	18,971	2,480	8,108	5,882	91,917	200	174,102
TOTAL	7,359,937	445,107	95,149	145,346	332,464	44,384	60,571	74,726	120,076	200	8,677,960
NET REVENUE (EXPENDITURES)	(291,702)	103,260	23,663	(483)	71,217	3,488	254	299	(14,614)	59,725	(44,893)

[illegible]

CARL CHANNELL AFFILIATED COMPANIES
CONTRIBUTORS - 1986

	NEPL (1)(9)	WESTERN GOALS FOUNDATION (5)(9)(10)	WESTERN GOALS ENDOWMENT (6)(9)(10)	CHANNELL (7)(9)	SENTINEL (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) FEDERAL ELECTION FUND (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) FEDERAL ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE FOUNDATION (8)(9)	TOTAL (4)
CONTRIBUTORS											
NEWINGTON	1,131,447	324,859	111,782		159,000	5,000	11,000		13,000	53,725	1,809,813
GARWOOD	2,518,135	19,000			55,000		14,100		46,000	10,000	2,662,235
KING	942,500	30,000			12,000		12,700		34,100		1,031,300
SACHER	400,000										400,000
HUNT	237,000	7,500					10,000				254,500
WARM	356,232				10,000						366,232
PEIRCE		5,000									5,000
O'NEIL	451,542				10,000			5,000			466,542
SMITH											0
O'BOYLE	160,000										160,000
BECK	10,000										10,000
BRANDON	100,000					5,000		5,000	2,500		112,500
HOOPER	130,000						3,000				133,000
DRISCOLL	106,000					10,000		5,000			121,000
ANDERSON	20,000							5,000	5,000		30,000
CLAGGETT	25,000										25,000
GIDDENS	42,500										42,500
PENTECOST								5,000			5,000
LYNCH	39,000					3,000		5,000			47,000
RAMSEY	60,310					2,000					62,310
SALVUSSER	42,410							5,000			47,410
STERNS	30,000							4,000			34,000
WEISL						2,000					2,000
CHRISTIAN		1,000			6,700	5,000					12,700
SALVATORI					10,000						10,000
ADAMKIEWICZ						3,750		5,000	910		9,660
CHANNELL								5,000			5,000
OLSON								5,000			5,000
MCGUINESS							2,000				2,000
DURANE							2,500				2,500
DARLINGTON						5,000					5,000
BIRDWELL		5,000									5,000
CASEY		6,000									6,000
CHANDLE FOUND.		5,000									5,000
VIRMLAN		16,904									16,904
ARKWRIGHT		2,475									2,475
PARK		3,000									3,000
OTTER		4,057									4,057
COOK		2,575									2,575
BRENNAN		2,000									2,000
MICHEL		1,000									1,000
BRAY		2,000									2,000
MILLIKEN		1,208									1,208
FRIEDLAND		2,000									2,000
GARVEY		2,800									2,800
HOWLEY		1,200									1,200
MCCARTHY		1,000									1,000
OTHERS	222,863	15,381		1,788	17,620	7,122	525	16,025	1,000		282,324
TOTAL	7,024,939	460,959	111,782	1,788	280,320	47,872	55,825	70,025	102,510	63,725	8,219,745

SEE FOOTNOTES ON ANALYSIS II C
SOURCE OF DATA: FINANCIAL RECORDS FURNISHED BY BANK STATEMENTS

ANALYSIS II D

CARL CHANNELL AFFILIATED COMPANIES
CONTRIBUTORS - 1985

	NEPL (1)(9)	WESTERN GOALS FOUNDATION (5)(9)(10)	WESTERN GOALS ENDOWMENT (6)(9)(10)	CHANNELL (7)(9)	SENTINEL (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) FEDERAL ELECTION FUND (1)(9)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) FEDERAL ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE TRUST (ACT) STATE ELECTION FUND (1)(9)	AMERICAN CONSERVATIVE FOUNDATION (8)(9)	TOTAL (4)
CONTRIBUTORS											
NEWINGTON	1,734,578								269,300		2,003,878
GARWOOD	178,125								37,000		215,125
KING	80,000										80,000
SAWYER	305,750							1,000			306,750
HUNT	247,500										247,500
WARM	104,875							1,000	2,500		108,375
PEIRCE	43,000										43,000
IRBY								3,000			3,000
LEONARDI								3,500			3,500
IDE								2,500			2,500
BECK	149,569										149,569
BRANDON	53,625							1,500			55,125
JONES									20,000		20,000
LEHMAN									4,000		4,000
OSBORN									2,500		2,500
MCFARLIN								500			500
VAN DEUSEN								1,000			1,000
PENTECOST									15,000		15,000
LYNCH	31,000										31,000
HAMSEY								1,000	2,500		3,500
CHRISTIAN	51,734										51,734
HALL								500			500
HORNKIEWICZ	61,084								4,230		65,314
NELSON								3,400	10,800		14,200
FOX								500			500
DARLINGTON	41,000							1,000	8,000		50,000
OTHERS	279,150			24,449				14,399	80,100		398,098
TOTAL	3,360,990			24,449				34,799	455,930		3,876,168

SEE FOOTNOTES ON ANALYSIS II C

CARL CHANNELL AFFILIATED COMPANIES
INTER-GROUP TRANSFERS - 1986

						ANTI-TERRORIST AMERICAN COMMITTEE (ATAC)		AMERICAN CONSERVATIVE TRUST (ACT)		
NAME	NCPL	WESTERN GOALS FOUNDATION	WESTERN GOALS ENDOWMENT	CHANNELL	SENTINEL	FEDERAL ELECTION FUND	STATE ELECTION FUND	FEDERAL ELECTION FUND	STATE ELECTION FUND	AMERICAN CONSERVATIVE FOUNDATION
INCORPORATED	5/29/84	11/14/85	5/21/81	2/2/82	5/10/85	5/5/86	6/24/86	10/16/84	10/5/84	11/22/85
TYPE	501(C)(3)	501(C)(3)	501(C)(3)	S-CORP	501(C)(4)	PAC	PAC	PAC	PAC	501(C)(3)
NOTES	(1)(9)	(5)(9)(10)	(6)(9)(10)	(7)(9)	(1)(9)	(1)(9)	(1)(9)	(1)(9)	(1)(9)	(8)(9)
01/08/86								(2,900)	2,900	
03/07/86	(30,000)				30,000					
03/14/86	(18,000)				18,000					
03/24/86	(19,997)				19,997					
03/25/86	(10,000)				10,000					
03/26/86	(25,000)				25,000					
03/28/86	(20,000)				20,000					
09/05/86	(8,500)	8,500								
09/16/86	(1,500)						1,500			
09/24/86		32,000	(32,000)							
10/01/86	(3,500)						3,500			
10/24/86	(10,000)			10,000						
10/27/86						(5,000)		5,000		
10/30/86		10,000	(10,000)							
10/30/86	(10,000)		10,000							
11/03/86	(20,000)			20,000						
11/05/86		13,000	(13,000)							
11/05/86		2,500	(2,500)							
11/06/86		29,408	(29,408)							
11/24/86		(200)	200							
11/25/86	(20,000)			20,000						
TOTAL	(196,497)	95,208	(76,708)	50,000	122,997	(5,000)	5,000	2,100	2,900	

SEE FOOTNOTES ON ANALYSIS II G
SOURCE OF DATA: FINANCIAL RECORDS CONFIRMED BY BANK STATEMENTS

ANALYSIS II F

CARL CHANNELL AFFILIATED COMPANIES (1)
CASH ANALYSIS - 1985 & 1986

						ANTI-TERRORIST AMERICAN COMMITTEE (ATAC)		AMERICAN CONSERVATIVE TRUST (ACT)			
NAME	NEPL	WESTERN GOALS FOUNDATION(2)	WESTERN GOALS ENDOWMENT	CHANNELL	SENTINEL	FEDERAL ELECTION FUND	STATE ELECTION FUND	FEDERAL ELECTION FUND	STATE ELECTION FUND	AMERICAN CONSERVATIVE FOUNDATION	
INCORPORATED	5/29/84	11/14/83	5/21/81	2/2/82	5/10/85	5/5/86	6/24/86	10/16/84	10/5/84	11/22/85	
TYPE OF ORGANIZATION	501(C)(3)	501(C)(3)	501(C)(3)	S-CORP	501(C)(4)	PAC	PAC	PAC	PAC	501(C)(3)	TOTALS
1985											
BANK BALANCE: 1/1/85	2,148	INACTIVE	INACTIVE	6,614	0	INACTIVE	INACTIVE	3,816	19,796	INACTIVE	32,374
RECEIPTS	3,604,966			24,449	100			34,799	455,930		4,120,244
TOTAL	3,607,114			31,063	100			38,615	475,726		4,152,618
DISBURSEMENTS	2,446,862			29,756	74			32,454	473,040		2,982,186
BANK BALANCE: 12/31/85	1,160,252			1,307	26			6,161	2,686		1,170,432
1986											
BANK BALANCE: 1/1/86	1,160,252	206	522	1,307	26	0	0	6,161	2,686	0	1,171,160
RECEIPTS	7,070,804	556,367	116,645	144,863	403,420	47,872	60,825	75,025	105,410	63,725	8,644,956
OTHER RECEIPTS			5,332							(3,800)	1,532
TOTAL	8,231,056	556.573	122,499	146,170	403,446	47,872	60,825	81,186	108,096	59,925	9,817,648
DISBURSEMENTS	7,680,469	535,550	91,680	145,346	291,196	43,983	60,303	74,726	106,641	0	9,029,894
BANK BALANCE: 12/31/86	550,587	21,023	30,819	824	112,250	3,889	522	6,460	1,455	59,925	787,754

(1) TWO ADDITIONAL CHANNELL ENTITIES -- HILL POTOMAC AND CRAW WASHINGTON WERE INACTIVE.

(2) ON 5/27/86 WESTERN GOALS WAS COMBINED WITH WESTERN GOALS FOUNDATION. ACTIVITY PRIOR TO 5/27/86 NOT INCLUDED.

(3) WESTERN GOALS ENDOWMENT WAS NOT AFFILIATED WITH CARL CHANNELL DURING 1985.

(4) RECEIPTS AND DISBURSEMENTS ARE IN GENERAL AGREEMENT WITH STATEMENT OF OPERATIONS.

SOURCE: BANK STATEMENTS PRIMARILY; AND OTHER RECORDS IDENTIFYING RECEIPTS AND DISBURSEMENTS.

CARL CHANNELL AFFILIATED COMPANIES
BALANCE SHEET - 1985

						ANTI-TERRORIST AMERICAN COMMITTEE (ATAC)		AMERICAN CONSERVATIVE TRUST (ACT)			
	NEPL (1)	WESTERN GOALS FOUNDATION (5)(10)	WESTERN GOALS ENDOWMENT (3)(10)	CHANNELL (1)(7)	SENTINEL (1)	FEDERAL ELECTION FUND	STATE ELECTION FUND	FEDERAL ELECTION FUND (1)	STATE ELECTION FUND (1)	AMERICAN CONSERVATIVE FOUNDATION	TOTAL (4)
ASSETS											
CASH AND INVESTMENTS	1,210,619	INACTIVE	INACTIVE	1,028	INACTIVE	INACTIVE	INACTIVE	1,761	1,186	INACTIVE	1,214,594
ACCOUNTS RECEIVABLES	4,500			-							4,500
FIXED ASSETS	37,947			11,458				3,195	4,607		57,207
OTHER ASSETS	3,020			1,650					1,138		5,808
TOTAL ASSETS	1,256,086			14,136				4,956	6,931		1,282,109
LIABILITIES											
ACCOUNTS PAYABLE, ACCRUALS	20,438			17,014							37,452
DEBT	237,500			-							237,500
OTHER	100,000			-				794			100,794
TOTAL LIABILITIES	357,938			17,014				794	0		375,746
EQUITY/FUND BALANCE	898,148			(2,878)				4,162	6,931		906,363
TOTAL LIABILITIES AND EQUITY	1,256,086			14,136				4,956	6,931		1,282,109

SOURCE:

(1) COMPANY FINANCIAL STATEMENT
(2) AUDITED STATEMENT OF REVENUES
(3) COMPILED COMBINED STATEMENTS
(4) AFFILIATED COMPANY TRANSACTIONS HAVE NOT BEEN ELIMINATED
(5) WESTERN GOALS FOUNDATION GENER
NOTE: ON 5/27/86 W.G. ASSETS WERE TRANSFORMED TO WGF, WG W
(6) WGEF 1986 GENERAL LEDGER
(7) CHANNELL 4/30/86 FEDERAL INCOME TAX RETURN, FORM 1120S
(8) COMPANY PREPARED WORKSHEET
(9) BANK STATEMENT DATA
(10) ACTIVITY PRIOR TO 5/27/86 NOT INCLUDED

CARL CHANNELL AFFILIATED COMPANIES
BALANCE SHEET - 1986

	NEPL (1)	WESTERN GOALS FOUNDATION (5)(10)	WESTERN GOALS ENDOWMENT (6)(10)	CHANNELL (7)	SENTINEL (1)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) FEDERAL ELECTION FUND (1)	ANTI-TERRORIST AMERICAN COMMITTEE (ATAC) STATE ELECTION FUND (1)	AMERICAN CONSERVATIVE TRUST (ACT) FEDERAL ELECTION FUND (1)	AMERICAN CONSERVATIVE TRUST (ACT) STATE ELECTION FUND (1)	AMERICAN CONSERVATIVE FOUNDATION (8)	TOTAL (9)
ASSETS											
CASH AND INVESTMENTS	520,725	(3,907)	42,819	509	71,248	3,488	254	5,711	76	59,725	700,648
ACCOUNTS RECEIVABLES	85,923	-	-	-	-	-	-	-	-	-	85,923
FIXED ASSETS	185,654	7,365	58,760	7,250	-	-	-	3,195	4,608	-	266,832
OTHER ASSETS	231,360	-	572	1,425	-	-	-	-	1,100	-	234,457
TOTAL ASSETS	1,023,662	3,458	102,151	9,184	71,248	3,488	254	8,906	5,784	59,725	1,287,860
LIABILITIES											
ACCOUNTS PAYABLE, ACCRUALS	42,092	182,363	3,242	12,123				869	13,504		254,193
DEBT	72,153		-	-				-	-		72,153
OTHER	-		-	-				-	-		0
TOTAL LIABILITIES	114,245	182,363	3,242	12,123	0	0	0	869	13,504	0	326,346
EQUITY/FUND BALANCE	909,417	(178,905)	98,909	(2,939)	71,248	3,488	254	8,037	(7,720)	59,725	961,514
TOTAL LIABILITIES AND EQUITY	1,023,662	3,458	102,151	9,184	71,248	3,488	254	8,906	5,784	59,725	1,287,860

EQUITY FUND BALANCE:

	NEPL (1)	WESTERN GOALS FOUNDATION (5)(10)	WESTERN GOALS ENDOWMENT (6)(10)	CHANNELL (7)	SENTINEL (1)	ATAC FEDERAL ELECTION FUND (1)	ATAC STATE ELECTION FUND (1)	ACT FEDERAL ELECTION FUND (1)	ACT STATE ELECTION FUND (1)	AMERICAN CONSERVATIVE FOUNDATION (8)
BEGINNING BALANCE	898,148	-0-	-0-	(2,878)	-0-	-0-	-0-	4,162	6,931	-0-
NET REVENUES (EXPENDITURES)	(291,702)	103,260	23,663	(483)	71,217	3,488	254	299	(14,614)	59,725
TRANSFER	302,971	(282,165)	75,246	422	31			3,576	(37)	
ENDING BALANCE	909,417	(178,905)	98,909	(2,939)	71,248	3,488	254	8,037	(7,720)	59,725

SEE FOOTNOTES ON ANALYSIS II A

NEPL
ANALYSIS - GOODMAN PROJECT EXPENDITURES
1986

ANALYSIS II J

PROJECTS		
CAN WE WAIT	$	9,976
FACTS		6,937
FLAG		5,282
FREEDOM FIGHTERS		587,051
GENERAL		5,609
HELICOPTER		8,692
LETTER		8,784
MEXICAN EARTHQUAKE		400
MORNING OF PEACE		34
NICARAGUA UPDATE		7,237
PRESIDENT'S OATH		22,467
RECONNAISSANCE		27,664
REFUGEES		7,001
TERRORIST INFLUENCE		8,006
THANK YOU, MR. PRES		491
THEY ARE US		5,162
THROW MONEY		10,680
TIME LINES		48,736
WILL THEY WAIT		86,349

	$	856,653
LESS REFUNDS		(26,560)

TOTAL EXPENSES INCURRED	$	830,093
CREDIT		7,926

TOTAL PAYABLES	$	838,019
		============

Source: Analysis of 1986 Goodman project expenditures provided with subpoena material.

ROBERT GOODMAN AGENCY
1986 PROJECT INVOICES FOR NEPL AND SENTINEL

ANALYSIS II K

DATE	CHK #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
06/19/86		4604	BARNES: DOES HE KNOW	PRODUCTION	11,500.00		11,500.00
06/19/86		4608	BARNES: DOES HE KNOW	DISTRIBUTION	45.42		45.42
07/01/86		4633	BARNES: DOES HE KNOW	DISTRIBUTION	853.22		853.22
07/31/86		4697	BARNES: DOES HE KNOW	PRODUCTION	407.25		407.25
06/19/86		4604	BARNES: FACT CHECK	PRODUCTION	21,000.00		21,000.00
07/01/86		4633	BARNES: FACT CHECK	DISTRIBUTION	1,277.51		1,277.51
07/31/86		4697	BARNES: FACT CHECK	PRODUCTION	407.25		407.25
08/06/86		4726	BARNES: FACT CHECK	DISTRIBUTION	55.00		55.00
06/19/86		4608	BARNES: GENERAL	DISTRIBUTION	1,725.49		1,725.49
07/30/86		4693	BARNES: GENERAL	DISTRIBUTION	563.40		563.40
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: KTBC; AUSTIN TX	10,380.00		10,380.00
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: KGBT; MCALLEN	3,320.00		3,320.00
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: WPTF; RALEIGH	5,685.00		5,685.00
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: WHAS; LOUISVILLE	14,160.00		14,160.00
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: KENS; SAN ANTONIO	16,050.00		16,050.00
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: WSMV; NASHVILLE	18,000.00		18,000.00
06/24/86		4611	BARNES: PROTOTYPES	MEDIA BUY: WJLA; WASH DC	25,675.00		25,675.00
08/07/86		4728	BARNES: PROTOTYPES	MEDIA BUY: WHAS; LOUISVILLE REFU	(4,760.00)		(4,760.00)
06/19/86		4604	BARNES: TIME CHECK	PRODUCTION	3,000.00		3,000.00
07/01/86		4633	BARNES: TIME CHECK	DISTRIBUTION	266.83		266.83
07/31/86		4697	BARNES: TIME CHECK	PRODUCTION	407.25		407.25
08/07/86		4729	CAN WE WAIT	PRODUCTION	9,500.00	9,500.00	
09/03/86		4795	CAN WE WAIT	DISTRIBUTION	476.05	476.05	
02/26/86		4354	FACTS	PRODUCTION	6,000.00	6,000.00	
03/06/86		4378	FACTS	DISTRIBUTION	520.20	520.20	
03/17/86		4406	FACTS	DISTRIBUTION	95.02	95.02	
03/26/86		4419	FACTS	PRODUCTION	313.85	313.85	
04/09/86		4462	FACTS	DISTRIBUTION	8.19	8.19	
03/17/86		4403	FLAG	PRODUCTION	4,250.00	4,250.00	
03/20/86		4412	FLAG	DISTRIBUTION	26.82	26.82	
03/20/86		4412	FLAG	DISTRIBUTION	50.13	50.13	
03/20/86		4413	FLAG	DISTRIBUTION	604.59	604.59	
03/20/86		4413	FLAG	DISTRIBUTION	33.20	33.20	
03/26/86		4420	FLAG	PRODUCTION	309.45	309.45	
04/09/86		4462	FLAG	DISTRIBUTION	8.18	8.18	
02/04/86		4331	FREEDOM FIGHTER UPDATE	DISTRIBUTION	1,945.85	1,945.85	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WMAZ; MACON GA	2,785.00	2,785.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WLII; GREENVILLE	2,100.00	2,100.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WHAS; LOUISVILLE KY	5,760.00	5,760.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: KTBC; AUSTIN TX	3,100.00	3,100.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: KIII; CORPUS CHRISTI	2,170.00	2,170.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: KGBT; MCALLEN	2,225.00	2,225.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WSMV; NASHVILLE TN	7,925.00	7,925.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WDEF; CHATTANOOGA	3,740.00	3,740.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WTLV; JACKSONVILLE	6,500.00	6,500.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: KTVV; AUSTIN TX	2,685.00	2,685.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WTTG; WASH DC	13,200.00	13,200.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: KJRH; TULSA OK	5,970.00	5,970.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY: WSAV; SAVANNAH GA	2,425.00	*2,425.00	

ROBERT GOODMAN AGENCY
1986 PROJECT INVOICES FOR NEPL AND SENTINEL

ANALYSIS II A

DATE	CHK #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WLBT; JACKSON MS	2,680.00	2,680.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WVSB; COLUMBUS	2,320.00	2,320.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WLOS; GREENSBORO NC	7,500.00	7,500.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	28,775.00	28,775.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WCPX; ORLANDO FL	4,525.00	4,525.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WHBQ; MEMPHIS TN	4,060.00	4,060.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WPTF; RALEIGH NC	700.00	700.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WMC ; MEMPHIS TN	2,030.00	2,030.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WRAL; RALEIGH NC	8,300.00	8,300.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WALB; ALBANY NY	1,410.00	1,410.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WJTV; JACKSON MS	890.00	890.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; WFTV; ORLANDO FL	7,095.00	7,095.00	
03/06/86		4385	FREEDOM FIGHTERS	MEDIA BUY; KENS; SAN ANTONIO TX	8,525.00	8,525.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WLBT; JACKSON, MS	2,680.00	2,680.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KJRH; TULSA, OK	5,970.00	5,970.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WTLV; JACKSONVILLE, F	6,500.00	6,500.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; LEGAL FEES, RALEIGH	300.00	300.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KWTV; OKLA, CITY, OK	6,675.00	6,675.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KIII; CORPUS CRISTI,	2,170.00	2,170.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KENS; SAN ANTONIO, TX	8,525.00	8,525.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WDEF; CHATTANOOGA, TN	3,740.00	3,740.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WLTX; COLUMBIA	2,060.00	2,060.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KGBT; MCALLEN, TX	2,225.00	2,225.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WJTV; JACKSON, MS	890.00	890.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	24,150.00	24,150.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WMAZ; MACON, GA	2,785.00	2,785.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WPTV; WEST PALM BCH,	5,970.00	5,970.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WCIX; MIAMI, FL	12,100.00	12,100.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WPTF; RALEIGH, NC	900.00	900.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WVSB; COLUMBUS, MS	2,320.00	2,320.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WXLT; SARASOTA, FL	8,920.00	8,920.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WRAL; RALEIGH, NC	8,100.00	8,100.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WCPX; ORLANDO FL	5,525.00	5,525.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WSMV; NASHVILLE TENN	10,825.00	10,825.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WOLO; COLUMBIA	2,485.00	2,485.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WLOS; GREENSBORO, NC	7,500.00	7,500.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KTVV; AUSTIN, TX	3,410.00	3,410.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WFTV; ORLANDO FL	8,105.00	8,105.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WHAS; LOUISVILLE, KY	5,760.00	5,760.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WALB; ALBANY, NY	1,410.00	1,410.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WTTG; WASH DC	21,100.00	21,100.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WLII; GREENVILLE, SC	2,100.00	2,100.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WHBQ; MEMPHIS, TENN	4,060.00	4,060.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; KTBC; AUSTIN, TX	4,500.00	4,500.00	
03/12/86		4401	FREEDOM FIGHTERS	MEDIA BUY; WSAV; SAVANNAH, GA	2,425.00	2,425.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WPTF; RALEIGH, NC	2,750.00	2,750.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; KTVV; AUSTIN, TX	2,970.00	2,970.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WLBT; JACKSON, MS	960.00	960.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WRAL; RALEIGH, NC	1,250.00	1,250.00	

ROBERT GOODMAN AGENCY
1986 PROJECT INVOICES FOR NEPL AND SENTINEL

ANALYSIS II K

DATE	CHK #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; KOTV; TULSA, OK	1,900.00	1,900.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH, DC	4,700.00	4,700.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WLTX; COLUMBIA	1,450.00	1,450.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; KJRH; TULSA, OK	2,050.00	2,050.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WTTG; WASH, DC	3,600.00	3,600.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WJTV; JACKSON, MS	1,025.00	1,025.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WDEF; CHATTANOOGA, TN	1,430.00	1,430.00	
03/17/86		4404	FREEDOM FIGHTERS	MEDIA BUY; WSMV; NASHVILLE, TN	1,900.00	1,900.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WJTV; JACKSON	256.00	256.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WOLO; COLUMBIA	45.00	45.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WSMV; NASHVILLE TN	665.00	665.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; KIII; CORPUS CHRISTI	565.00	565.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WMAZ; MACON GA	845.00	845.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WFTV; ORLANDO FL	2,000.00	2,000.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WTTG; WASH DC	3,800.00	3,800.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; KTBC; AUSTIN TX	285.00	285.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WSAV; SAVANNAH GA	615.00	615.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WVSB; COLUMBUS/TUPELO	5.00	5.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; KJRH; TULSA OK	400.00	400.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; WLTX; COLUMBIA	250.00	250.00	
03/19/86		4411	FREEDOM FIGHTERS	MEDIA BUY; KENS; SAN ANTONIO TX	1,380.00	1,380.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WRAL; RALEIGH NC	18,825.00	18,825.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WSMV; NASHVILLE TN	16,575.00	16,575.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WTTG; WASH DC	14,000.00	14,000.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WCTI; GREENVILLE NC	4,955.00	4,955.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; LEGAL FEES; RALEIGH	300.00	300.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; KTVV; AUSTIN TX	6,355.00	6,355.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; KTBC; AUSTIN TX	5,850.00	5,850.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WMC ; MEMPHIS TN	380.00	380.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	26,050.00	26,050.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; KENS; SAN ANTONIO TX	25,375.00	25,375.00	
03/31/86		4426	FREEDOM FIGHTERS	MEDIA BUY; WPTF; RALEIGH NC	3,455.00	3,455.00	
04/01/86		4451	FREEDOM FIGHTERS	PRODUCTION	848.68	848.68	
04/09/86		4460	FREEDOM FIGHTERS	MEDIA BUY; WFTV; ORLANDO FL	6,015.00	6,015.00	
04/09/86		4460	FREEDOM FIGHTERS	MEDIA BUY; KWTV; OKLAHOMA CITY	4,400.00	4,400.00	
04/09/86		4460	FREEDOM FIGHTERS	MEDIA BUY; WHAS; LOUISVILLE KY	1,220.00	1,220.00	
04/09/86		4460	FREEDOM FIGHTERS	MEDIA BUY; KOTV; TULSA OK	3,300.00	3,300.00	
04/09/86		4460	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	19,500.00	19,500.00	
04/09/86		4460	FREEDOM FIGHTERS	MEDIA BUY; WDRB; LOUISVILLE KY	1,950.00	1,950.00	
04/16/86		4469	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	800.00	800.00	
04/23/86		4492	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	10,100.00	10,100.00	
04/23/86		4492	FREEDOM FIGHTERS	MEDIA BUY; WTTG; WASH DC	3,600.00	3,600.00	
04/24/86		4499	FREEDOM FIGHTERS	MEDIA BUY; WJLA; WASH DC	36,700.00	36,700.00	
04/24/86		4499	FREEDOM FIGHTERS	MEDIA BUY; WTTG; WASH DC	10,800.00	10,800.00	
04/29/86		4511	FREEDOM FIGHTERS	PRODUCTION	649.56	649.56	
05/12/86		4548	FREEDOM FIGHTERS	PRODUCTION	424.70	424.70	
03/06/86		4379	GENERAL	DISTRIBUTION	606.01	606.01	
03/20/86		4414	GENERAL	DISTRIBUTION	568.71	568.71	
04/01/86		4452	GENERAL	DISTRIBUTION	2,259.67	2,259.67	

ROBERT GOODMAN AGENCY
1986 PROJECT INVOICES FOR NEPL AND SENTINEL

ANALYSIS II B

DATE	CHK #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
04/23/86		4495	GENERAL	DISTRIBUTION	769.54	769.54	
06/24/86		4613	GENERAL	DISTRIBUTION	857.02	857.02	
07/29/86		4673	GENERAL	DISTRIBUTION	547.57	547.57	
04/09/86		4462	HELICOPTER	DISTRIBUTION	8.19	8.19	
04/24/86		4498	HELICOPTER	DISTRIBUTION	52.10	52.10	
03/11/86		4400	HELICOPTERS	PRODUCTION	6,000.00	6,000.00	
03/17/86		4405	HELICOPTERS	DISTRIBUTION	1,416.23	1,416.23	
03/20/86		4412	HELICOPTERS	DISTRIBUTION	26.81	26.81	
03/20/86		4413	HELICOPTERS	DISTRIBUTION	30.00	30.00	
03/26/86		4421	HELICOPTERS	PRODUCTION	433.18	433.18	
05/01/86		4536	HELICOPTERS	PRODUCTION	725.00	725.00	
03/17/86		4402	LETTER	PRODUCTION	7,500.00	7,500.00	
03/20/86		4412	LETTER	DISTRIBUTION	166.43	166.43	
03/20/86		4412	LETTER	DISTRIBUTION	36.75	36.75	
03/20/86		4412	LETTER	DISTRIBUTION	26.81	26.81	
03/20/86		4413	LETTER	DISTRIBUTION	50.40	50.40	
03/20/86		4413	LETTER	DISTRIBUTION	604.59	604.59	
03/26/86		4420	LETTER	PRODUCTION	309.45	309.45	
04/09/86		4462	LETTER	DISTRIBUTION	8.18	8.18	
05/05/86		4544	LETTER	PRODUCTION	81.67	81.67	
11/25/86		5110	MEXICAN EARTHQUAKE	RESEARCH	400.00	400.00	
09/18/86		4836	MORNING OF PEACE	DISTRIBUTION	34.23	34.23	
12/22/86		5128	NICARAGUA UPDATE #1	STORYBOARDS	531.90	531.90	
11/05/86		5082	NICARAGUAN UPDATE	PRODUCTION	6,500.00	6,500.00	
11/05/86		5083	NICARAGUAN UPDATE	DISTRIBUTION	300.00	300.00	
06/19/86		4606	PRESIDENT'S OATH	PRODUCTION	5,000.00	5,000.00	
07/01/86		4632	PRESIDENT'S OATH	DISTRIBUTION	50.35	50.35	
07/09/86		4641	PRESIDENT'S OATH	DISTRIBUTION	1,260.00	1,260.00	
07/08/86		4643	PRESIDENT'S OATH	MEDIA BUY: WTTG; WASH DC	2,000.00	2,000.00	
07/08/86		4643	PRESIDENT'S OATH	MEDIA BUY: KTBC; AUSTIN TX	1,470.00	1,470.00	
07/08/86		4643	PRESIDENT'S OATH	MEDIA BUY: WJLA; WASH DC	2,500.00	2,500.00	
07/08/86		4643	PRESIDENT'S OATH	MEDIA BUY: WTVN; COLUMBUS	1,920.00	1,920.00	
07/08/86		4643	PRESIDENT'S OATH	MEDIA BUY: KUSA; DENVER CO	7,500.00	7,500.00	
07/15/86		4656	PRESIDENT'S OATH	DISTRIBUTION	351.20	351.20	
07/31/86		4696	PRESIDENT'S OATH	PRODUCTION; STORYBOARDS	416.10	416.10	
07/31/86		4696	RECONNAISSANCE	PRODUCTION; STORYBOARDS	416.10	416.10	
06/19/86		4605	RECONNAISSANCE	PRODUCTION	2,500.00	2,500.00	
06/24/86		4610	RECONNAISSANCE	MEDIA BUY: WCIX; MIAMI FL	2,150.00	2,150.00	
06/24/86		4610	RECONNAISSANCE	MEDIA BUY: KPVI; IDAHO FALLS	1,860.00	1,860.00	
06/24/86		4610	RECONNAISSANCE	MEDIA BUY: WPTV; W. PALM BEACH FL	3,900.00	3,900.00	
06/24/86		4610	RECONNAISSANCE	MEDIA BUY: WTTG; WASH DC	16,000.00	16,000.00	
07/01/86		4632	RECONNAISSANCE	DISTRIBUTION	837.84	837.84	
02/26/86		4354	REFUGEES	PRODUCTION	6,000.00	6,000.00	
03/06/86		4377	REFUGEES	DISTRIBUTION	63.05	63.05	
03/06/86		4378	REFUGEES	DISTRIBUTION	520.20	520.20	
03/17/86		4406	REFUGEES	DISTRIBUTION	96.02	96.02	
03/26/86		4419	REFUGEES	PRODUCTION	313.85	313.85	
04/09/86		4462	REFUGEES	DISTRIBUTION	8.19	8.19	
02/26/86		4354	TERRORIST INFLUENCE	PRODUCTION	6,000.00	6,000.00	

ROBERT GOODMAN AGENCY
1986 PROJECT INVOICES FOR NEPL AND SENTINEL

ANALYSIS II K

DATE	CHK #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
03/06/86		4376	TERRORIST INFLUENCE	DISTRIBUTION	228.25	228.25	
03/06/85		4377	TERRORIST INFLUENCE	DISTRIBUTION	63.06	63.06	
03/06/86		4378	TERRORIST INFLUENCE	DISTRIBUTION	520.21	520.21	
03/17/86		4406	TERRORIST INFLUENCE	DISTRIBUTION	96.02	96.02	
03/26/86		4419	TERRORIST INFLUENCE	PRODUCTION	313.85	313.85	
04/09/86		4462	TERRORIST INFLUENCE	DISTRIBUTION	8.19	8.19	
04/24/86		4498	TERRORIST INFLUENCE	DISTRIBUTION	52.10	52.10	
05/01/86		4536	TERRORIST INFLUENCE	PRODUCTION	725.00	725.00	
02/04/86		4330	THANK YOU, MR. PRES	PRODUCTION	491.11	491.11	
03/17/86		4405	THEY ARE US	PRODUCTION	4,250.00	4,250.00	
03/20/86		4412	THEY ARE US	DISTRIBUTION	50.12	50.12	
03/20/86		4412	THEY ARE US	DISTRIBUTION	26.81	26.81	
03/20/86		4412	THEY ARE US	DISTRIBUTION	36.75	36.75	
03/26/86		4420	THEY ARE US	PRODUCTION	309.45	309.45	
04/09/86		4462	THEY ARE US	DISTRIBUTION	8.18	8.18	
04/09/86		4462	THEY ARE US	DISTRIBUTION	398.70	398.70	
05/05/86		4544	THEY ARE US	PRODUCTION	81.66	81.66	
04/09/86		4459	THROW MONEY	PRODUCTION	9,800.00	9,800.00	
04/17/86		4475	THROW MONEY	DISTRIBUTION	513.40	513.40	
05/05/86		4544	THROW MONEY	PRODUCTION	332.42	332.42	
05/12/86		4548	THROW MONEY	PRODUCTION	35.00	35.00	
07/29/86		4671	TRUE COLORS	PRODUCTION	5,000.00	5,000.00	
07/29/86		4672	TRUE COLORS	DISTRIBUTION	900.00	900.00	
07/30/86		4686	TRUE COLORS	MEDIA BUY; WTTG; WASH DC	16,800.00	16,800.00	
07/30/86		4686	TRUE COLORS	MEDIA BUY; WJLA; WASH DC	25,150.00	25,150.00	
08/06/86		4725	TRUE COLORS	PRODUCTION	387.05	387.05	
08/20/86		4762	TRUE COLORS	DISTRIBUTION	90.00	90.00	
09/11/86		4806	TRUE COLORS	PRODUCTION; STORYBOARDS	408.55	408.55	
08/13/86		4744	WILL THEY WAIT	MEDIA BUY; ????; OMAHA	12,000.00	12,000.00	
08/13/86		4744	WILL THEY WAIT	MEDIA BUY; ????; OMAHA REFUND	(12,000.00)	(12,000.00)	
08/13/86		4751	WILL THEY WAIT	MEDIA BUY; WTTG; WASH DC	12,800.00	12,800.00	
08/13/86		4751	WILL THEY WAIT	MEDIA BUY; WJLA; WASH DC	27,100.00	27,100.00	
08/20/86		4762	WILL THEY WAIT	DISTRIBUTION	240.00	240.00	
09/11/86		4806	WILL THEY WAIT	PRODUCTION; STORYBOARDS	408.55	408.55	
10/07/86		4909	WILL THEY WAIT	MEDIA BUY; WTTG; WASH DC	9,300.00	9,300.00	
10/07/86		4909	WILL THEY WAIT	MEDIA BUY; WJLA; WASH DC	30,000.00	30,000.00	
11/03/86		5071	WILL THEY WAIT	MEDIA BUY; WJLA; WASH DC	6,500.00	6,500.00	
07/15/86		4651	????????	MEDIA BUY; KOTV; TULSA OK REFUND	(255.00)	(255.00)	
07/15/86		4651	????????	MEDIA BUY; KWTV; OKLAHOMA CITY R	(722.50)	(722.50)	
07/15/86		4651	????????	MEDIA BUY; WHAS; LOUISVILLE REFU	(680.00)	(680.00)	
07/15/86		4651	????????	MEDIA BUY; KTVV; AUSTIN TX REFUN	(658.75)	(658.75)	
07/15/86		4651	????????	MEDIA BUY; WJLA; WASH DC REFUND	(24,097.50)	(24,097.50)	
07/15/86		4651	????????	MEDIA BUY; WCTI; NEW BERN REFUND	(136.00)	(136.00)	
07/15/86		4651	????????	MEDIA BUY; WOLO; COLUMBIA REFUND	(8.50)	(8.50)	
					960,113.61	830,094.99	130,018.62

Source: Analysis of 1986 Goodman project invoices provided with subpoena material.

1986 ADVANCES TO [illegible] AGENCY
FROM NEPL AND SENTINEL

ANALYSIS II L

DATE	CHK #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
02/04/86	1689	4310			(70.61)	(70.61)	
02/20/86	1770	4299			(1,800.00)	(1,800.00)	
02/25/86	1801	4351			(30,000.00)	(30,000.00)	
02/25/86	1781	4331			0.00	0.00	
02/25/86	1781	4330			(2,436.96)	(2,436.96)	
03/03/86	V-REG				(12,000.00)	(12,000.00)	
03/07/86	V-SP1				(120,000.00)	(120,000.00)	
03/10/86	V-SP1				(80,000.00)	(80,000.00)	
03/13/86	V-SP1				(11,000.00)	(11,000.00)	
03/14/86	V-SP1				(25,000.00)	(25,000.00)	
03/14/86	V-SP1				(100,000.00)	(100,000.00)	
03/14/86	1854	4354			(18,000.00)	(18,000.00)	
03/17/86	1878	4378					
03/17/86	1878	4400					
03/17/86	1878	4377					
03/17/86	1878	4376			(7,914.97)	(7,914.97)	
03/19/86	1892	4406					
03/19/86	1892	4405					
03/19/86	1892	4402			(43,668.29)	(43,668.29)	
03/19/86	1892	4403					
03/19/86	1892	4404					
03/24/86	1070		HELICOPTER/KAGFI		(10,000.00)	(10,000.00)	
03/27/86	1930	4413					
03/27/86	1930	4411			(13,449.92)	(13,449.92)	
03/27/86	1930	4414					
03/27/86	V-SP1				(100,000.00)	(100,000.00)	
03/27/86	1930	4412					
04/04/86	V-SP1				(40,000.00)	(40,000.00)	
04/10/86	1930	4414					
04/10/86	1958	4411			(13,404.22)	(13,404.22)	
04/10/86	1930	4412					
04/10/86	1958	4413					
04/10/86	1104	4475			(513.40)	(513.40)	
04/10/86	1930	4413					
04/10/86	1958	4412					
04/10/86	1930	4411			13,449.92	13,449.92	
04/10/86	1958	4414					
04/18/86	1084	4451			(5,402.16)	(5,402.16)	
04/18/86	1084	4421					
04/18/86	1084	4452					
04/18/86	1084	4419					
04/18/86	1084	4420					
04/21/86	1103	4460					
04/21/86	1103	4462					
04/21/86	1103	4459			(46,641.00)	(46,641.00)	
05/14/86	1110	4536					
05/14/86	1110	4511			(2,595.31)	(2,595.31)	
05/14/86	1110	4544					

1986 ADVANCES TO GOODMAN AGENCY
FROM NEPL AND SENTINEL

ANALYSIS II L

DATE	LAN #	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	NEPL	SENTINEL
05/27/86	1115	4548			(459.70)	(459.70)	
05/31/86	J.E.				16,115.72	16,115.72	
06/12/86	W-SP2				(35,000.00)	(35,000.00)	
06/18/86	W-SEN				(100,000.00)		(100,000.00)
06/23/86	1117	4606					
06/23/86	1117	4605			(7,500.00)	(7,500.00)	
06/26/86	1027	4604			(37,270.91)		(37,270.91)
06/26/86	1027	4608					
06/27/86	1118	4613			(857.02)	(857.02)	
07/07/86	1119	4632			(888.19)	(888.19)	
07/07/86	W-SP4				(15,000.00)	(15,000.00)	
07/08/86	1028	4633			(2,397.56)		(2,397.56)
07/10/86	1120	4641			(1,260.00)	(1,260.00)	
07/21/86	1121	4650			(351.20)	(351.20)	
07/28/86	W-SP4	4666			(41,950.00)	(41,950.00)	
07/31/86	J.E.			REFUND CANCELLATION MEDIA BUYS	37,556.61	37,556.61	
08/01/86	1124	4673			(547.57)	(547.57)	
08/05/86	106		TRUE COLORS		(5,900.00)	(5,900.00)	
08/07/86	J.E.			REFUND CH. BAL AND WARS REF	9,649.85		9,649.85
08/11/86	V-SDI	4751			(39,900.00)	(39,900.00)	
08/11/86	V-REG			MEDIA BUY: ; OMAHA	(12,000.00)	(12,000.00)	
08/12/86	1126	4693			(832.20)	(832.20)	
08/12/86	1022	4725			(387.05)	(387.05)	
08/14/86	1127	4729			(9,500.00)	(9,500.00)	
08/31/86	J.E.			MEDIA BUY: ; OMAHA REFUND	12,000.00	12,000.00	
09/04/86	1024	4762	TRUE COLORS	DISTRIBUTION	(90.00)	(90.00)	
09/04/86	1024	4762	WILL THEY WAIT	DISTRIBUTION	(240.00)	(240.00)	
10/02/86	2690	4795	MISCELLANEOUS	DISTRIBUTION	(124.85)	(124.85)	
10/07/86	V-SDI	4909			(39,300.00)	(39,300.00)	
10/07/86	V-SDI	5083					
10/14/86	1030	4806	WILL THEY WAIT	PRODUCTION; STORYBOARDS	(817.10)	(817.10)	
10/14/86	2744	4836	MORNING OF PEACE	DISTRIBUTION	(34.23)	(34.23)	
10/31/86	V-REG	5071			(20,000.00)	(20,000.00)	
10/31/86	V-REG	5082					
12/05/86	3118	5110	MEXICO EARTHQUAKE	RESEARCH MEXICO EARTHQUAKE	(400.00)	(400.00)	
					(968,152.32)	(838,133.70)	(130,018.62)
					(8,038.71)	(8,038.71)	(0.00)
	4232		MORNING OF PEACE	BILLED TO ALT PAID BY NEPL	0.00	1,800.00	
	4310		MORNING OF PEACE	BILLED TO ALT PAID BY NEPL	0.00	70.61	
			UNRECONCILED		19.27	19.27	
			BALANCE		(8,019.44)	(6,700.00)	630.16

Source: Analysis of 1986 Goodman project invoices provided with subpoena material.

NEPL
1986 CONTRIBUTORS
CONFIRMATIONS
AMOUNTS > $100,000)

ANALYSIS II M

	1986 AMOUNT	CONFIRMED
NEWINGTON, BARBARA	$ 1,070,388	(EXCEPTION) $ 1,072,867
GARWOOD	2,508,135	(EXCEPTION) 2,438,439
KING, MRS. MAY	942,500	YES
SACHER, FRED	400,000	YES
HUNT, BUNKER	237,000	YES
WHAM, DAVID	356,232	YES
O'NEIL, WILLIAM	355,204	YES
O'NEIL (UNDETERMINED FIRST NAME)	96,338	NO
O'BOYLE, WILLIAM	160,000	YES
BRANDON, INMAN	100,000	YES
HOOPER	130,000	(EXCEPTION) 145,000
DRISCOLL	106,000	YES

Source: Auditors workpapers provided with subpoena material.

ANALYSIS II M

NEPL
ANALYSIS - SALARIES
1986

EMPLOYEE	ANNUAL SALARY	GROSS WAGES	
ANGELA DAVIS	$ 30,000	$ 28,500	
CARL CHANNELL	120,000	161,022	
CLIFF SMITH	84,000	63,000	WAGES
		16,500	DEF COMP
		28,675	COMMISSION
DOROTHY AIKEN	17,680	11,787	
JOAN LUTZ	30,000	12,500	
JANE MCLAUGHLIN	30,000	22,500	
FREDERICK FRIED	42,000	17,500	
MICHAEL IACOBELLIS	20,000	13,837	
PHILLIP MEO	21,000	11,031	
LIAM FLANNERY	N/A	-0-	
KRIS LITTLEDALE	39,600	36,300	
EMMANUEL BURWELL	18,000	7,500	
ANDREW CANTOR	$9/HR	1,197	
REBECCA PRITCHETT	28,000	7,786	
ROGER WILKINS	28,000	25,582	
TOTAL WAGES		$ 465,217	
TOTAL FICA		16,947	
UNIDENTIFIED SALARY COSTS		54,137	
TOTAL SALARIES		$ 536,301	

Source: Analysis of 1986 Payroll Provided with Subpoena Material.

Channell Ex. 3

M&F
Miner and Fraser Public Affairs, Inc.

March 4, 1985

Mr. Oliver North
National Security Council
Room 392
Old Executive Office Building
Washington, D. C. 20506

Dear Ollie:

We were asked to get this over. We have 80% confirmations. Everyone is incredibly supportive, given the importance of this to the President.

Sincerely,

Edie
Edie Fraser

EF/kv

Attachment:

Ollie
Very Imp.
Two people want to
give major contribs
ie 300,000 and up if
they might have one
1 "quiet" minute with
the President
ef. [redacted]

1090 Vermont Ave. NW Washington, DC 20005 (202) 371-1515

Chris Littledale
[redacted] Channell Ex. 4

Barnes - WANTS Indict Ollie
Watergate babies - WANT TO GET AT the Pres
through Ollie
WANT Another Watergate
Put Barnes out of Politics
If we get rid of Barnes we get rid of the
ring leader and rid of the problem.

Look
BARNES
up in
Almanac
of Amer
Politics

Special PAC to do only 1 thing only
TO AID Congress of Congressmen That
are trying to undermine President in his
anti - terrorist Policies
Barnes trying to Indict Ollie - WANTS
to get at RR - Trying to use RR
to elevate his Senate Campaign -
If we can beat him he's out of
Congress.

Giddens Re

CIA, Nic, Embassy Security,

Destroy Barnes - use him as abject lesson
to others.
— RR Informed on his return —

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Redstone Arsenal, Alabama
Monday, August 10, 1987.

The deposition of JOHN RANDOLPH CHAPMAN and BILLY RAY REYER, called for examination in the above-entitled matter, pursuant to notice, in the office of the Staff Judge Advocate, room G15, building 111, Redstone Arsenal, Alabama, convened at 3:07 p.m., when were present on behalf of the parties:

COPY NO. 1A OF 1 COPIES

Partially Declassified/Released on 5 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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APPEARANCES:

On Behalf of the Select Committee on Secret Military
Assistance to Iran and Nicaraguan Opposition of
the United States Senate:

JOHN SAXON, ESQUIRE
Associate Counsel
901 Hart Senate Office Building
Washington, D.C. 20510

On Behalf of the Department of the Army:

COLONEL JOHN K. WALLACE III
Chief, Investigations and Legislative Division Office
Chief of Legislative Liaison
Office of the Secretary of the Army
HQDA (SALL-IL)
Washington, D.C. 20310-1600

Court Reporter:

Diane S. Mohlere
U.S. Army Missile Command
Attn: AMSMI-JA
Redstone Arsenal, AL 35898-5120

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CONTENTS

WITNESSES	EXAMINATION
JOHN RANDOLPH CHAPMAN	
BILLY RAY REYER	
By Mr. Saxon	4

EXHIBITS

NUMBER

Exhibit 1

Exhibit 2

PROCEEDINGS

Whereupon,

JOHN RANDOLPH CHAPMAN and BILLY RAY REYER

were called for examination by counsel for the Senate Select Committee, and having been first duly sworn by Colonel John K. Wallace III, were examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q If you would, Mr. Chapman, state your full name for the record, please, sir.

A John Randolph Chapman.

Q And your position?

A I'm the branch chief for the Medium Low Altitude Air Defense Systems within the Materiel Managemant Directorate.

Q And is the HAWK system one of those systems over which you have supervisory authority?

A Yes, it is.

Q And was it at the time of what we know now as Project Crocus, dealing with the provision of HAWK repair parts by the Department of the Army, ultimately to, as we now know, the CIA and Iran?

A Yes.

Q And, Mr. Reyer, would you state your full name for the record, please, sir?

A Billy Ray Reyer.

Q Spell your last name, please, sir.

A. R-e-y-e-r.

Q. Now, what is your position?

A. Chief of the HAWK Repair Parts Section.

Q. And were you in that position at the time of Project Crocus?

A. Yes.

Q. And to whom do you report?

A. Mr. Chapman.

Q. And did you report to Mr. Chapman at the time of your involvement with Project Crocus?

A. Yes.

Q. Let me say for the record for subsequent readers of this deposition that today I have spent time with Mr. Chapman and Mr. Reyer individually, and we've covered a good many matters. We h[illegible]ound it necessary to, on the record, to have a few things clarified in sworn testimony, primarily with regard to the issue of readiness as regards to the provision of HAWK ground equipment repair parts to the CIA and Project Crocus. Let me ask you, Mr. Reyer, briefly I will describe the process as I understand it, and you tell me if this is correct recapitulation of what you told me this morning. As the requirement for the repair parts were passed down from Department of Army, Office of the Deputy Chief of Staff of Logistics, I believe that was directly from Major Simpson, is that correct?

A. Yes.

Q. That'd be Major Christopher Simpson, the Army Action Officer. The request was for approximately 234 line items, is that correct?

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A. Right.

Q. And that request came in sometime in the early part of April. You got it on one day, and then people here more or less around the clock began to take a look at the availability of these items, where they were located, what quantities you had, if there was any readiness impact; and a document was prepared and datafaxed back to Major Simpson that same evening or early the next morning, is that correct?

A. It was datafaxed back to Art Diamond at AMC.

Q. The Army Materiel Command. And at the time you faxed that back, am I correct in saying that a tentative determination was made as to the potential impact on readiness if these items were provided?

A. Yes.

Q. Were there some items that you would have preferred not to ship due to the readiness impact?

A. One in particular that was discussed, and that is [redacted] [redacted]

Q. All right. We'll come to [redacted] a little later, but at that first look at availability, when you first made the readiness determination, if I recall your statement to me this morning, there were approximately 47 items that were identified as having the potential for some readiness impact, is that correct?

A. ~~Yes~~ Impact is if they would be shipped tomorrow.

Q. In the quantities requested.

A. Yes.

Q. And, as I understand it--and, again, correct me; I'm doing

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it this way in the interest of time, but, as I understand it, as you talked through these items, you and Mr. Chapman and perhaps others, you would indicate, "Well, we would prefer not to provide that quantity. Could we provide a lesser quantity?" and so forth, so just through reducing quantities, that number, 47, was reduced down some, is that correct?

MR. CHAPMAN: Insofar as what the impact would be, yes.

Q Okay, and I assume that as you further refined the look at where these were located and whether some could be repaired, and so forth, the numbers came down further from what they had first--readiness impact could be, is that correct?

MR. REYER: I don't recall a complete analysis of impacts after the initial review was made.

MR. CHAPMAN: The same number of items were still involved. We didn't ever reduce those 46 items down to 5, as an example. We still shipped some quantity of those same 46 items.

[redacted]

[redacted]

Q Okay. Let's go through it, then, in whatever way the facts support because that's all we're really interested in. Let me ask either of you or both of you for your best judgment of the total number that you actually did supply that would have had what you would have classified as some readiness impact, after all the back and forth and changes in quantity and the like, and whatever way you would characterize it, what number, ballparking, would have had some readiness impact or at least the potential existed at that time?

MR. REYER: Potential impact, one item.

Q All right, and that one item would be what? [redacted] [redacted]

A [redacted]

Q And what is the [redacted]

A [redacted]

Q And that is [redacted] for the HAWK system?

A [redacted] for the HAWK system.

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Q And if I'm referring to this document, which--all of which I will make Exhibit 1, that would be on page 2, your control item number [redacted] is that correct?

A Yes.

Q And this is an item that the requested quantity--and I'll use the ultimate customer--from the Iranians was [redacted] is that correct?

A Correct.

Q And the quantity that you determined we actually had on hand was how many?

A [redacted].

Q And how many do your records show we actually provided?

A [redacted]

Q So, we did ship all that was requested?

A [indicating yes]

Q Now, let me ask you a little bit about this item. As I understand it, it is [redacted] that goes into [redacted] [redacted] is that correct?

A Yes.

Q And is it what you refer to as a mandatory stockage item? It's an item that all using units must keep on hand?

A Yes, it is.

Q And why is that?

MR. CHAPMAN: I guess to state it very simply, that is an item that, should it fail in that [redacted]-

Q In the existing system that they have?

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A In the existing system--that that [redacted] then becomes nonfunctional.

Q It would deadline the system?

A It would deadline the system, yes.

Q Which is the language that is often used, which means, to a layman like myself, the system would not work.

A That's correct.

Q [redacted] What's the--what would a unit do if they were in a situation where they needed a replacement and one was not in stock?

MR. REYER: The item would depend on the Varian Corporation for both new procurement--

Q Spell the name of the vendor, if you would.

A V-a-r-i-a-n. California. We depend on them for new procurement and for repair of unserviceable assets, and based on their delivery schedules, the ability that they have to produce, then we would have problems.

Q And this is an item that units have to carry on their PLL, or prescribed load list, is that correct?

A I'm not sure that it's under PLL or the ASL.

Q What is ASL, for the record?

A Authorized stockage list.

[redacted]

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[redacted]

A. [redacted] We--based on the requirements and assets schedule, delivery schedule that we have today, we estimate that that item will be [redacted]

[redacted]

[The proceeding went off the record from 3:20 p.m. to 3:35 p.m.]

Q While we're on this topic, let me ask both of you if, in your best judgment, there were other items actually provided other than [redacted] for which, at the time, you identified a significant or some potential impact on readiness? and let me put it to you this way. After meeting the requirement and transferring these parts, were you left in a state of feeling uncomfortable about the inventory levels with regard to some of the parts that you had provided? whoever wants to answer that.

MR. CHAPMAN: If you look at the list that you've entered into the records for Exhibit A and look at the items on there in the impact column where it says "yes," which says, "This is a potential impact if we ship these assets," in my opinion, I would say of those that says "yes,"--

Q And that was initially about 47, right?

A This was initially about 47. With the exception of knowing that [redacted] for sure was in that category [redacted] the other items I would say I personally would feel uncomfortable about the ones to where they asked for a quantity and we provided the entire quantity [redacted]

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[redacted]

Q Now, for the quantities that you actually shipped, this gets us to what I believe will be Exhibit 2, which I'll mark in a moment. This is a datafax document, I believe, that came from Headquarters, Department of the Army, in Washington, from the office of the Deputy Chief of Staff for Logistics to Headquarters, MICOM, is that correct?

A Yes.

Q And who sent this document to you? Was that Major Simpson?

A Major Simpson.

Q And it's dated 23 April '86, and as I understand the way you described this document, it is the final list of here are the items which you will provide, is that--

A That is correct.

Q And so, if we looked at this list and went down it where the quantities are listed of what was requested; for example, with regard to item [redacted] they requested [redacted] that's what you would have provided. [redacted]

A That is true, yes.

Q Is there anything else that we need to know on the record about Exhibit 2?

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A. No.

MR. CHAPMAN: No.

Q. All right, gentlemen. Let me ask you a couple of quick questions about what transpired between your level here at Redstone and the Department of Army Logistics office and whether that specific conversations with Major Simpson by either of you or someone else. That's what I want to get at. When you reached the point where you determined that some items were going to create a potential readiness problem, was that issue flagged and discussed with people at Headquarter DA?

MR. CHAPMAN: I had a conversation with Major Simpson about that after he had received our list and had reviewed it, and he saw where we'd indicated there was an impact, expressed a concern about some of these items, and at that time he said he would take that up, and he used the word "with the leadership" in DA, his superiors. Exactly what they discussed and what the results of that, he never really conveyed to me other than the fact that he said the decision has been that "We want these items in these quantities. Can you provide them?"

Q. And your answer, I guess, was yes.

A. Yes.

Q. And what resulted from that was what we just saw as Exhibit 2.

A. That's correct.

Q. Was there a point at which anybody specifically cited [redacted] [redacted] and said, "It is of sufficient criticality and the numbers are such that although you asked for [redacted] and if we provide [redacted] it's going to create something of a problem Did anybody break that item out and discuss it specifically with Major Simpson?

MR. REYER: That item was discussed and the supply position of it right from the beginning.

Q By whom and with whom?

A Myself and Major Simpson and Mr. Chapman and Major Simpson.

Q And was there any response he gave in that discussion different from what Mr. Chapman has just described?

A No.

Q At any point, did he indicate that he had taken the issue-- let's talk now about [redacted]-up with his superiors or with the customer and that he had made the arguments about readiness and had in fact been overruled? Did he ever communicate anything like that back to you?

MR. CHAPMAN: I don't recall any from that standpoint. A lot of the discussion we had with him was dealing with the quantity that they had requested, and he seemed to be concerned with the fact [redacted] that they wanted because we had talked, "Well, what is the time frame that you want these? because we have some unserviceable assets that we could repair that we could possibly make available, but the lead time associated with repairing it is 'x' months, and can you wait?" That type of discussicr went on.

MR. REYER: As John stated, you know, he stated he would take it up with the leadership, and once he would come back to us then and say, "Okay, we'll go with this quantity," then we assumed that he had the approval to go with the quantity that we agreed on.

Q Did--since your superior, Mr. Reyer, is Mr. Chapman, let me ask you, Mr. Chapman. Did you ever raise the specific issue with anyone who was in a supervisory position to you about either some of these items, in general, in terms of readiness or, specifically, [redacted] [redacted]?

MR. CHAPMAN: Well, my immediate supervisor, who's the division chief, Mr. Jim King, was--we kept him--I kept him abreast of what all was going on and explained to him every time we had a conversation with Major Simpson; I would keep him up to speed on what was going on, and he and I discussed these issues.

Q So, is it fair to say from that general answer that he knew about the problem with [redacted]?

A Yes.

Q To your knowledge, did he ever raise that with his superior?

A Whether or not he discussed that specific item, I can't say. I know the entire issue was discussed.

Q And who was Mr. King's superior?

A Mr. Finafrock.

Q And Mr. Finafrock reported to General Burbules, or was there another level?

A There's another--of course, Mr. Finafrock is the Deputy

Director for Materiel Management, and Lieutenant Colonel promotable Jim Link is the Director.

Q Spell Link.

A L-i-n-k. And the two of them report to Mr. Isom, who is the Director for the Missile Log Center SES.

Q And Mr. Isom reports to General Burbules?

A To General Burbules.

Q Let me ask it this way. To your knowledge, was General Burbules, as the Army Missile Command commander, ever made aware of any potential readiness problem with regard to meeting this requirement on the HAWK repair parts, either in general or specifically [redacted]?

A I don't think so. Well, first, we're saying General Burbules. General Reese had already replaced General Burbules.

Q By the time--

A That's true.

Q Thanks for that correction.

MR. REYER: We--to my knowledge, we had no discussions or anything with General Reese until the billing issue was raised.

Q Spell Reese for us, please.

A R-double e-s-e.

MR. CHAPMAN: I guess the only thing that General Reese really knew about it was kind of like in a summary type deal where, "There's this special project going on, and the people in materiel management are doing this," and, you know, just a short note to let him know

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something's going--no details.

MR. REYER: We had what we call MLC update.

Q What is MLC?

A Missile Logistics Center. And the different directors report to the CG on issues that they considered important.

Q CG's commanding general?

A Commanding general. During this exercise, I prepared a update to the Logistics Center, stating that 139 items had been assembled at Red River Depot on directions from DA, and then when we received instructions or directions from DA to ship the items, I again prepared an update stating that we had received instructions to ship the materiel to another destination.

Q And is it safe to say that at all times as you were going through this process, you clearly understood you were in an executing mode and were being tasked or had requirements imposed on you by the Department of the Army over which you had no discretion? Is that a safe statement?

A Yes, that is correct.

MR. CHAPMAN: Yes.

Q At any time, did you know these HAWK repair parts were going to the CIA, Mr. Chapman?

MR. CHAPMAN: No.

Q Mr. Reyer?

MR. REYER: No.

Q Either of you know they were going to Iran?

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MR. CHAPMAN: No.

MR. REYER: No.

Q In terms of the HAWK repair parts requirement, which we know as Project Crocus, you have been interviewed, I believe, by investigator from the Department of the Army Inspector General and from the General Accounting Office, is that correct?

MR. CHAPMAN: That's correct.

Q At any time, have you been asked specifically about the readiness impact in providing these repair parts?

MR. CHAPMAN: I'd say yeah. There was some discussion about the items and whether or not there was an impact or not. We didn't--they didn't ask as many detailed or probing questions as we've had today, but there was some question about it.

Q Would that be from the DA IG?

A Yes.

Q What about the GAO?

A GAO's inquiries were dealing mainly with the pricing of the items and the quantities of the items.

Q In terms of the billing that took place, I think it's a fair statement from the informal interviews that I had with each of you this morning and from the worksheet or summary that you prepared for us in the interim that there were some glitches, I think is the word that was used this morning, in the billing and that the monies were actually received some time later than you might have otherwise hoped. Is that a fair statement?

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MR. REYER: Yes. There was some problems in the billing.

Q All right. Now, let me ask for the record if, in your judgment, either of you, there was any undesirable or negative impact on your capability to do your job from having been deprived of a few dollars being in the proper account at an earlier date than was actually provided.

MR. REYER: In my opinion, it did not delay any procurements as the results of funding shortage.

Q Finally, ask each of you separately--let's start with you, Mr. Chapman--at any point in mid- to late-1985, were you ever asked to provide any information about sending HAWK missile systems, missiles and launchers, specifically to Iran?

MR. CHAPMAN: No. I had no knowledge of any such action until it was mentioned this morning in our discussions.

Q What about you, Mr. Reyer?

MR. REYER: No, I had no contact pertaining to this. I also discussed this with the managers of the missiles and the launchers after I returned to the office today, and they said they had no--there was no contact with them concerning this.

Q For the record, I want to walk through the question in several ways. The first was with regard specifically to Iran. Second, were you asked, either of you, in mid- to late '85 about the provision of a quantity of either 500 HAWKs or 120 HAWKs to Israel? Mr. Chapman?

MR. CHAPMAN: No.

Q Mr. Reyer?

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MR. REYER: No.

Q Were you asked at any point about the availability of HAWKs in November of '85 for any customer, perhaps unidentified?

MR. CHAPMAN: No.

Q Mr. Reyer?

MR. REYER: No. The question--did--we have received some information beginning of the hearings about Israel.

MR. CHAPMAN: But he's talking about in November of '85.

MR. REYER: I'm sorry. November of '85? No.

Q Recent inquiries, yes; I'm sure there probably have been some, as we now know what took place in 1985, so it's fair to say as far as the two of you know, there were no inquiries made of the Missile Command about HAWKs in that time frame that would in any way connect with Iran or Israel.

MR. REYER: Correct.

Q Gentlemen, is there anything else that I've not covered that you think we need to cover and get on the record?

MR. REYER: No.

MR. CHAPMAN: Not to my knowledge.

MR. SAXON: Let me say on behalf, specifically, the Senate and, I think, the House that both of you have been very patient. You've taken up most of your day with my questions, and we appreciate very much your testimony, your candor. It's been very helpful to the committees as we do our job. Thank you.

[Whereupon, at 3:52 p.m., August 10, 1987, the taking of the deposition was concluded.]

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23 APR 86

(B) **UNCLASSIFIED** [illegible] ITTAL HEADER SHEET

COMMAND	OFFICE SYMBOL	TELEPHONE NUMBER	AUTHORIZED RE[illegible] SIGNATURE	
FROM: HQDA WASH, DC	DALO-SMS-LA	AU227-8487		
TO: HQs MICOM Redstone ARS, AL	AMSMI-LC-MM-A	DATE-TIME 23-1300	MONTH APR	[illegible]
CLASSIFICATION UNCLAS	PAGES 6.	PRECEDENCE Immed	~~TC copy at TC [illegible]~~	

REMARKS:

CONTACT MR JOHN Chapman / 871 Request AT. AV 746-5986
RANK NAME TELEPHONE NUMBER

UPON RECEIPT OF THIS FASCIMILE MESSAGE FOR PICKUP. ADDRESSEE [illegible] REQUESTED TO ACKNOWLEDGE RECEIPT TO ORIGINATOR AT TELEPHONE NUMBER ABOVE.

019

ACTION OFC
SMI-LC-MM-A
INFO OFC
~~SMI-LC-MM-A~~

USAISC-REDSTONE
COMM CENTER
[illegible] 1039Z

Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

6-3891

5125

TC/16

FORM 3019 [illegible]

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NO DATE

808 - AMC

REF	NOMENCLATURE	NSN	QTY	PRICE	
9	[redacted]	[redacted]	[redacted]	[redacted]	BK4
10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
11	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
12	ELECTRONIC COMPONENT	1430004812779	[redacted]	3,785.00	[redacted]
13	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
14	CONTROL POWER SUPPLY	1430004804461	[redacted]	3,790.00	[redacted]
15	CIRCUIT CARD ASSY	1430014082496	[redacted]	436.00	[redacted]
16	AMP, ELEC, TRIPPLE	1430004916943	[redacted]	7,782.00	[redacted]
17	SPRING, SPIRAL	5360009373080	[redacted]	70.00	[redacted]
18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
22	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
24	[redacted]	[redacted]	[redacted]	[redacted]	ANS
25	SIMULATOR, CONTROL	1430001558288	[redacted]	20,158.00	BK4
27	AMP, INTERMEDIATE	1430008730838	[redacted]	5,106.00	BK4
~~29~~	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
30	[redacted]	[redacted]	[redacted]	[redacted]	BR4/BK4
31	CIRCUIT CARD ASSY	1430004805642	[redacted]	2,002.00	BR4
32	FAN CENTRIFUGAL	4140008759846	[redacted]	282.00	ANS
33	FAN, CIRCULATING	4140004634276	[redacted]	242.00	ANS
35	TRANSFORMER ASSY	6120004812766	[redacted]	1,287.00	BK4
37	[redacted]	[redacted]	[redacted]	[redacted]	BK4
38	[redacted]	[redacted]	[redacted]	[redacted]	AQ5
39	TANK SECTION, FLUID	1430002287848	[redacted]	3,414.00	ANS
45	FILTER, FLUID	1430000205562	[redacted]	2,443.00	AQ5
48	SWITCH, DELAY LINE	1430009206734	[redacted]	84.78	ANS
49	CONTROL FRQE	1430009334162	[redacted]	3,031.00	BK4
50	AMPLIFIER DOPPLER	1430010367228	[redacted]	6,175.00	BK4
51	SIMULATOR, STATION	1430004848559	[redacted]	[illegible]	[illegible]

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43 micro

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Partially Declassified/Released on 10FEB88
under provisions of E.O. 12356
by [illegible] Johnson, National Security Council

53	[redacted]	[redacted]	[redacted]	[redacted]	[illegible]
55	[redacted]	[redacted]	[redacted]	[redacted]	[illegible]
56	[redacted]	[redacted]	[redacted]	[redacted]	[illegible]
63	CABLE ASSY, POWER	1430000192970	[redacted]	462.00	BR4
64	[redacted]	[redacted]	[redacted]	[redacted]	AN5
65	HOSE ASSY, NONMETAL	4720000118511	[redacted]	82.76	AN5
76	[redacted]	[redacted]	[redacted]	[redacted]	BK4
78	POWER SUPPLY	1430010789648	[redacted]	5,189.00	BK4
79	[redacted]	[redacted]	[redacted]	[redacted]	BK4 9 C
80	CIRCUIT CARD ASSY	1430004916951	[redacted]	6,870.00	BK4
81	CIRCUIT CARD ASSY	1430009004422	[redacted]	375.00	BK4
82	CIRCUIT CARD ASSY	1430004082496	[redacted]	434.00	BK4
83	CIRCUIT CARD ASSY	1430004916980	[redacted]	585.00	BK4
84	FILTER BANDPASS	5915004913475	[redacted]	166.00	AQ5
016 85	WASHER KIT	6720010182144	[redacted]	1.46	BL6
86	ELECTRONIC COMPONENT	1430007345346	[redacted]	559.00	AQ5/BR4
89	[redacted]	[redacted]	[redacted]	[redacted]	BK4
90	CIRCUIT CARD ASSY	1430004511092	[redacted]	203.00	AN5
91	CONTROL, RANGE, ANT	1430009798827	[redacted]	5,233.00	BK4
92	[redacted]	[redacted]	[redacted]	[redacted]	BK4
93	[redacted]	[redacted]	[redacted]	[redacted]	BK4
94	CIRCUIT CARD ASSY	1430004916886	[redacted]	48.00	AN5
95	[redacted]	[redacted]	[redacted]	[redacted]	BK4
96	[redacted]	[redacted]	[redacted]	[redacted]	AN5
97	CIRCUIT CARD ASSY	1430004916889	[redacted]	68.31	AN5
99	CIRCUIT CARD ASSY	1430002303654	[redacted]	52.62	BK4
100	CIRCUIT CARD ASSY	1430002303653	[redacted]	51.21	AN5
101	CIRCUIT CARD ASSY	1430002303652	[redacted]	71.45	AN5
102	INDICATOR ASSY	1430009747846	[redacted]	1,448.00	BK4/BR4
103	AMP I.F.	1430005031852	[redacted]	1,513.00	BK4

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61/	104	DELAY LINE	5840006793939	[redacted]	[redacted]	[redacted]
	105	ELECTRONIC COMPONENT	1430010212423	[redacted]	[redacted]	[redacted]
	106	ELECTRO MECHANICAL	1430000271984	[redacted]	[redacted]	[redacted]
	108	AMP ELECTRO CONTROL .	1430007881198	[redacted]	1,001.00	BK4
	109	CAVITY TUNE	1430007882949	[redacted]	3,366.00	BK4
	110	DRIVE ASSY	1430005606963	[redacted]	772.00	BK4
	111	CONTROL OSC	1430007890834	[redacted]	526.00	BK4
	112	PARTS KIT	1430010679012	[redacted]	[illegible]	ANS
	113	SEAL WAVE GUIDE	5985010255013	[redacted]	[illegible]	ANS
	116	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	117	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	118	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	122	[redacted]	[redacted]	[redacted]	[redacted]	AQ5
	123	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	124	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	125	[redacted]	[redacted]	[redacted]	[redacted]	ANS
	129	PLUG DISCONNECT	1430000564721	[redacted]	[illegible]	ANS
	130	SEAL RING	1430000564772	[redacted]	2.85	AQ5
	132	[redacted]	[redacted]	[redacted]	[redacted]	AQ5
	134	WIRING HARNESS	1430009253837	[redacted]	116.00	BK4
	137	REPAIR KIT, PUMP	1430000100355	[redacted]	565.00	AQ5
	140	SWITCH ASSY	1430009105332	[redacted]	383.00	BK4
142	143	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	145	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	146	ELECTRONIC COMPONENT	1430004072744	[redacted]	1,378.00	AQ5
	150	CIRCUIT CARD ASSY	1440000011267	[redacted]	163.00	BK4
	151	[redacted]	[redacted]	[redacted]	[redacted]	BK4
	152	[redacted]	[redacted]	[redacted]	[redacted]	AQ5
	154	STALO OCILLATOR	5955007882955	[redacted]	8,302.00	BK4
	155	[redacted]	[redacted]	[redacted]	[redacted]	ANS/BK4
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157	CIRCUIT CARD ASSY	1430004035777	[redacted]	134.00	ANS
159	CIRCUIT CARD ASSY	1430004035787	[redacted]	310.00	[illegible]
160	CIRCUIT CARD ASSY	1430004035178	[redacted]	232.00	[illegible]
161	PUMP VALVE	1430009105323	[redacted]	408.00	ANS
162	[redacted]	[redacted]	[redacted]	[redacted]	BK4
164	[redacted]	[redacted]	[redacted]	[redacted]	ANS
165	RING PISTON	1440006468341	[redacted]	393.00	AQ5
166	[redacted]	[redacted]	[redacted]	[redacted]	ANS
167	[redacted]	[redacted]	[redacted]	[redacted]	AQ5
168	AMP ELE CONTROL	1440010721063	[redacted]	1,407.00	ANS
171	SYNCHRO, CONTROL	5990009222449	[redacted]	91.04	AQ5
172	[redacted]	[redacted]	[redacted]	[redacted]	BK4
173	[redacted]	[redacted]	[redacted]	[redacted]	ANS
174	VALVE FLOW REG.	4820007903387	[redacted]	320.00	BK4
175	COLLER ASSY, HYD	1440011650193	[redacted]	3,450.00	ANS
176	COLLER ASSY, HYD	1440007457645	[redacted]	3,450.00	ANS
177	VALVE REG PRESSURE	4820006771192	[redacted]	845.00	BK4
178	CONTROL UNIT, TEMP	1440004812805	[redacted]	340.00	BR4
179	VALVE HYDRALIC	4820008863047	[redacted]	866.00	BK4
180	VALVE SOLENOID	4810008863044	[redacted]	1,573.00	ANS
181	PUMP PISTON	4320001769995	[redacted]	4,984.00	ANS
183	[redacted]	[redacted]	[redacted]	[redacted]	BK4
184	[redacted]	[redacted]	[redacted]	[redacted]	ANS

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REF	NOMENCLATURE	NSN	QTY	PRICE	LOC
189	STUD RETAINING	1440003160179	[redacted]	2.85	AN5
190	BATTERY NONRECHARGE	6135002744035	[redacted]	2.77	B16
192	[redacted]	[redacted]	[redacted]	[redacted]	BK4
193	TRANSDUCTER ASSY	6625007775[illegible]3	[redacted]	1,480.00	BK4
195	[redacted]	[redacted]	[redacted]	[redacted]	AQ5
198	OSCILLATOR	5955007861173	[redacted]	6,375.00	BK4
199	[redacted]	[redacted]	[redacted]	[redacted]	AN5/BK4
201	CIRCUIT CARD ASSY	1430004916917	[redacted]	132.09	BK4
202	CIRCUIT CARD ASSY	1430004097991	[redacted]	414.00	BK4
203	CIRCUIT CARD ASSY	1430004072692	[redacted]	495.00	BK4
204	TEST SET, RADAR	4935004084749	[redacted]	14,265.24	BK4
205	[redacted]	[redacted]	[redacted]	[redacted]	BK4
206	CONVERTOR FREQ	1430002562995	[redacted]	29,228.00	BK4
207	WAVE GUIDE ASSY	1430007295599	[redacted]	62.60	BK4
208	CAVITY, TUNED	1430004076954	[redacted]	1,685.00	AN5
209	[redacted]	[redacted]	[redacted]	[redacted]	AN5
210	WIRING HARNESS	5995010530898	[redacted]	520.00	BR4
211	SEMI CONDUCTOR DEVICE	5961010223623	[redacted]	8.99	AN5
212	SEMI CONDUCTOR DEVICE	5961010223623	[redacted]	8.99	AN5
213	SEMI CONDUCTOR DEVICE	5961010229294	[redacted]	7.10	BK4
214	CRYSTAL MIXER	5985004939151	[redacted]	258.00	AN5
215	FILTER SIDE BAND	1430002562989	[redacted]	7,232.00	AN5
217	CABLE	1430008265721	[redacted]	97.22	BK4
220	DETECTOR CRYSTAL	1430004082526	[redacted]	1,290.00	AQ5
222	WAVE GUIDE ASSY	5985004140757	[redacted]	117.00	AN5
223	DETECTOR CRYSTAL	1430004082489	[redacted]	73.97	AQ5
225	RADIATOR	2930003220600	[redacted]	409.45	AN5
233	RADOME ANTENNA	5985001660223	[redacted]	2,856.00	BY6

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[illegible]	ANTENNA PEDESTAL	5985001660222	[redacted]	8,983.00	BY6
236	POWER SUPPLY	1430004321352	[redacted]	2,011.00	AN5
237	CIRCUIT CARD ASSY	1430004332273	[redacted]	71.72	[illegible]
238	CIRCUIT CARD ASSY	1430010048206	[redacted]	882.00	AQ5
239	AMP	1430003483191	[redacted]	540.00	

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Partially declassified [illegible] 11Feb88

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(2) [illegible]

(139 Micom Items)

NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	E|C LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Ph II PIP Delete
[illegible] 2229	Electronic Comp	[redacted]	[redacted]	ANS BK4	3,785.00	NO
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Ph II PIP Delete
[illegible]	Control Pwr Supply	[redacted]	[redacted]	ANS AQS BK4	3,790.00	NO

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[illegible]-2456	Circuit Card	[redacted]	[redacted]	ANS ARS BR4 BR4	434.00	NO
[illegible]-491-[illegible]	TRIPL AMP Elec EQIPT	[redacted]	[redacted]	BR4 BR4	7,782.00	NO
[illegible] 937-3080	Spring SPIRAL TORSI	[redacted]	[redacted]	ANS BR4	70.00	NO
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	E|C LOCATION	REPL COST	IMPACT
N3000 155 3278	Simulator Control	[redacted]	[redacted]	AQS BK4	20,158.00	No
N3000 875 0838	IF Amplifier	[redacted]	[redacted]	BK4	5106.00	NO
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
43000 480 5642	Cir Card Assy	[redacted]	[redacted]	ANS AQS BKY BR4	2002.00	No
W40 00 875 9846	FAN Centrifugal	[redacted]	[redacted]	HNS AQS BR4	282.00	No

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
4140 00 963 4276	Fan Circulating	[redacted]	[redacted]	ANS	242.00	no
		[redacted]	[redacted]	BR4		
		[redacted]	[redacted]			
120 00 98r 2766	Transformer Assy	[redacted]	[redacted]	ANS	1287.00	no
		[redacted]	[redacted]	BK4		
		[redacted]	[redacted]	BR4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
14300 228 7848	Tank Section Fluid Coolant	[redacted]	[redacted]	ANS	3414.00	no
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BK4 BR4		
130 00 020 5562	Filter Fluid	[redacted]	[redacted]	ANS	2443.00	no
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BK4		
		[redacted]	[redacted]	BR4		

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1430 00 920 6734	Switch Delay Line	[redacted]	[redacted]	ANS	84.78	No
		[redacted]	[redacted]			
		[redacted]	[redacted]			
1430 00 933 4462	Control Frequency	[redacted]	[redacted]	ANS	3031.00	No
		[redacted]	[redacted]	BK4		
		[redacted]	[redacted]			
2 143000 175-6328 -	Amplifier Doppler	[redacted]	[redacted]	BK4	6175.00	No
2 N30010367228		[redacted]	[redacted]			
		[redacted]	[redacted]			
1430 00 [illegible] 8559	Simulator Grave Stated	[redacted]	[redacted]	BK4	9,815.00	No
		[redacted]	[redacted]	BR4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
630 00 015-2970	Cable Assy, PWR	[redacted]	[redacted]	AQS BKY BRY	462.00	No
630 00 828-7136	Cable Assy Ord Box	ECM-LC SD 2	3 "C" 1	ANS BKY	2519.00	Yes
720 00 011 8511	Hos. Assy Mount	[redacted]	[redacted]	ANS AQS BKY BRY	82.76	No
730 00 855 9746	Coupling	[redacted]	NO RECORD			
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes

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SN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
-00-491-6951	C CH	[redacted]	[redacted]	BK4	6870.00	no
1300093098127		[redacted]	[redacted]			
13000876663 1		[redacted]	[redacted]			
-00-990-0442	?Cable Assy	[redacted]	[redacted]	~~RECORD~~		
-00-100 4422	([illegible] 6.4.1)	[redacted]	[redacted]			
-00-448-3496	Circuit Card Assy	[redacted]	[redacted]	ANS AQS BK4 BR4	434.00	no
-00-491-6950	Circuit Card Assy	[redacted]	[redacted]	AQS BK4	585.00	no
-00-491-3975	Filter Bandpass	[redacted]	[redacted]	AQS BK4 BR4	166.00	NO
01-014-2144	Relay Assy	[redacted]		NO RECORD		B/6 [illegible]

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1430-00-734-5340	Elec Comp	[redacted]	[redacted]	AQS BR4	559.00	no
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES
1430-01-151-1092	Circuit Card Assy	[redacted]	[redacted]	ANS AQS BR4 BR4	205.00	NO
1430-00-979-8527	Control Range Rate Ant	[redacted]	[redacted]	BK4	5 233.00	NO
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
30-00-491-6886	Circuit Card Assy	[redacted]	[redacted]	AN5	18.00	NO
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BK4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
30-00-491-6689	Circuit Card Assy	[redacted]	[redacted]	AN5	68.31	No
		[redacted]	[redacted]	AQ5 BR4		
		[redacted]	[redacted]	BK4		
30-00-230-3654	Circuit Card Assy	[redacted]	[redacted]	AN5	52.62	NO
		[redacted]	[redacted]	AQ5 BR4		
		[redacted]	[redacted]	BK4		
30-00-230-3653	Circuit Card Assy	[redacted]	[redacted]	AN5	57.21 $121.00	NO
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BK4		
		[redacted]	[redacted]	BR4		

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
430.00-230.3650	Circuit Card Assy	[redacted]	[redacted]	ANS	71.45	No
		[redacted]	[redacted]	ANS BKY		
		[redacted]	[redacted]	BRY		
1430.00.974-7846	Indicator Assy	[redacted]	[redacted]	BKY	1448.00	NO
		[redacted]	[redacted]	BRY		
		[redacted]	[redacted]			
430.00-503-1852	Amp IF (1	[redacted]	[redacted]	ANS	1513.00	No
1430 00 8607348	...	[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
430-01-081-2423	Elec Comp (	[redacted]	[redacted]	ANS	1720.00	No
1430004072731		[redacted]	[redacted]	AQS		
1430004779239		[redacted]	[redacted]	BKY BRY		
430-00-027-1984	Electromechanical	[redacted]	[redacted]	ANS	1174.00	NO
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BRH		
430-00-788-1198	Amp Elec Control	[redacted]	[redacted]	ANS	4,091.00	NO
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
130-00-789-3949	Coul Trans	[redacted]	[redacted]	ANS	3366.00	710
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
130-00-660-6563	Drive Assy	[redacted]	[redacted]	ANS AGS	772.00	710
(1430 00 560 6963)		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
130-00-789-0534	Control OSC	[redacted]	[redacted]	BKY	526.00	710
		[redacted]	[redacted]	BRY		
		[redacted]	[redacted]			
130-00-003-8563	Parts Kit	[redacted]	[redacted]	ANS	43.65	710
43001 0079012		[redacted]	[redacted]	BRY		
		[redacted]	[redacted]			
130-00-796-9580	Seal Waveguide	[redacted]	[redacted]	ANS	205.00	710
94501 025 5013		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1430-01 078-9648 1430-00 092 4438	Power Supply	[redacted]	[redacted]	A45	5,189.00	No
			[redacted]	BK4		
			[redacted]	BR4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
4300 194 2704-	Shell Core ASSY pf	[redacted]	[redacted]	S9E		
1430-01-064-4461		[redacted]	[redacted]			
4300-644-8301	Adapter Waveguide	[redacted]	[redacted]	S9E		
1430 00-056-4721	Plug Disconnect	[redacted]	[redacted]	ANS	34.82	no
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BKY BRY		
4300-036-4722	Seal Ring	[redacted]	[redacted]	ANS AQS	2.15	NO
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
13000 925 3137	Wiring Harness	[redacted]	[redacted]	BKY	116.00	NO
		[redacted]	[redacted]	BRY		
		[redacted]	[redacted]			
130·00·647·0449	Short Shoulder	[redacted]	[redacted]	S9E		
		[redacted]	[redacted]			
		[redacted]	[redacted]			
430·00·010 0355	Repair Kit Pump	[redacted]	[redacted]	ANS	565.00	NO
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BKY BRY		
9175444	Fan Centrifugal	[redacted]	NO	RECORD		
		[redacted]	[redacted]			
		[redacted]	[redacted]			
430 00 910 5337	Swing Assy	[redacted]	[redacted]	AQS	383.00	No
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
1430 00 407 2744	Elec Cmp Assy	[redacted]	[redacted]	AQS	1378.00	NO
		[redacted]	[redacted]	BKY		
1440 00 001-1267	Cir Card Assy	[redacted]	[redacted]	ANS AQS	163.00	710
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
43000 403 5787	Cir Crd Assy	[redacted]	[redacted]	AQS	310.00	710
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
143000 403 5178	Cir Crd Assy	[redacted]	[redacted]	ANS	232.00	710
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES
8950-056-9599	Converter Signal	[redacted]	-No RECORD			
5955-00-788-2955	Stalo OSC	[redacted]	[redacted]	ANS BKY	8,302.00	NO
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES
5830-00-868-0959	COAXIAL Tube Assy	[redacted]	NO RECORD			
5900-403-5777	Circuit Card Assy	[redacted]	[redacted]	ANS AQS BKY PKY	234.00	NO

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1300 910 5323	Pump valve	[redacted]	[redacted]	ANS	408.00	No
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BR4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
440 00 646 8341	Ring Piston	[redacted]	[redacted]	ANS	2.93	NO
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BR4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
No-01-072-1063 40 00-657-4741c	Amp Elec Control	[redacted]	[redacted]	ANS AQS	1402.00	NO
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
150 00 922-2449	Synchro Trans Control	[redacted]	[redacted]	AQS	# 91.04	no
		[redacted]	[redacted]	BKY		
		[redacted]	[redacted]	BRY		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	YES
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
820 00 750 3387	Valve Flow Reg	[redacted]	[redacted]	ANS	320.00	no
		[redacted]	[redacted]	AQS		
		[redacted]	[redacted]	BKY		
4004-165-0443- 1091-16-8	Core Assy [illegible]	[redacted]		NO RECORD XD coded in [illegible] - Launcher [illegible] [illegible]		

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
4000-745-7645	Core Assy HYD	[redacted]	[redacted]	ANS AQS BK4 BR4	3,450.00	no
4820 00-677-1192	VAlve Reg Pressure	[redacted]	[redacted]	BK4 BR4	845.00	no
1400-481-2895	Control unit Temp	[redacted]	[redacted]	ANS AQS BR4 BK4	340.00	no
4820 00-886-3047	Valve HYD	[redacted]	[redacted]	AQS BK4 BR4	$866.00	no
4810-00-886-3044	Valve Solenoid	[redacted]	[redacted]	ANS AQS	1,573.00	no
4320 00-176-9995	Pump Piston	[redacted]	[redacted]	ANS AQS BK4 BR4	#4,984.00	no

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
10 00 647 3295	Pump Axel	[redacted]	Obsolete - replaced by	4320-00-176	-9995 Item 181	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
10 00-316 0179	Stud Retaining	[redacted]	[redacted]	AN5 AQ5 BR4	3 85	No
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
15 00 277 5183	Transducer Assy	[redacted]	[redacted]	AN5 AQ5 BK4 BR4	1,480 00	No

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[illegible] 76-106745LE	[illegible] Processor Radar	[redacted]	[illegible]			XD source code No NSN
5500 786 1173	RF Oscillator	[redacted]	[redacted]	BK4	6,375.00	NO
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	XD source code no NSN
1300 491-6917	Circuit Card Assy	[redacted]	[redacted]	ANS AQS BK4 BR4	132.09	NO

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT	
43u00 405 7951	Circuit Card Assy	[redacted]	[redacted]	AN5 AQ5 BK4 BR4	414.00	NO	
130 00 407 7692	Cir Card Assy	[redacted]	[redacted]	BK4	495.00	NO	
135-01-054-1960 135 00 408 4749	Test Set GE Radar	[redacted]	[redacted]	AN5 AQ5 BK4 BR4	14,065.24	NO	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	yes	13 B/O
130-01-195-3592 130-00-356-2595	Connector Feed — C [illegible]	(C1) [redacted]	[redacted]	BK4	29,228.00	NO	
3u00 729 5599	Waveguide Assy	[redacted]	[redacted]	BK4 BR4	62.60	NO	

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
130 00 407 6954	Cart Truck	[redacted]	[redacted]	AN5	1,685.00	NO
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BR4		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Yes
		[redacted]	[redacted]			
55-01-063-0858	Wiring Harness	[redacted]	[redacted]	AQ5	530.00	NO
		[redacted]	[redacted]	BR4		
		[redacted]	[redacted]			
61-01-022 3623	Semi Cond Device	[redacted]	[redacted]	AN5	8.99	NO
↑ Same ↓		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BR4		
61-01-022-3623	Semi Cond Device	[redacted]	[redacted]	AN5	8.99	NO
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BR4		
61-01-022-9254	Semi Cond Device	[redacted]	[redacted]	AN5	7.10	NO
		[redacted]	[redacted]	AQ5		
		[redacted]	[redacted]	BK4		
		[redacted]	[redacted]	BR4		

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
5-00-493-9151	CRYSTAL MIXER	[redacted]	[redacted]	AN5	258.00	NO
30-00 256 2539	Filter Side Band	[redacted]	[redacted]	AN5 BK4	7,232.00	NO
30-00-226-5721	Cable	[redacted]	[redacted]	AN5 AQ5 BK4 BR4	97.22	NO
30-00-401-2528	Detector CRYSTAL	[redacted]	[redacted]	AN5 AQ5 BR4	1,290.00	NO
35-00-446 0757	Waveguide Assy	[redacted]	[redacted]	AN5 AQ5 BK4 BR4	117.00	NO
3000 403 2489	Detector CRYSTAL	[redacted]	[redacted]	AQ5 BR4	73.97	NO

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SN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL. COST	IMPACT
P-402 8401 -09367	Cannot Identify Idler Assy	[redacted]	NO	RECORD		
5-00 184 7072	Cannot Identify LOAD	[redacted]	NO	RECORD		
-00-908-2523	Core Memory Stack	[redacted]	[redacted]	0		Phase I - Delete
-01-0654-8126 -00-432-1357	Power Supply Elect- Adjust	[redacted]	[redacted]	ANS BK4	2,011.00	NO
-00-507-0369 -00-433-2223	Cir Card Assy	[redacted]	[redacted]	ANS AQ5 BK4 ANS	71.72	NO
-00-8246	Cir Card Assy	[redacted]	[redacted]	AQ5	882.00	NO

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TRANSCRIPT OF PROCEEDINGS

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UNITED STATES SENATE [illegible] 31 /87

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SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

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DEPOSITION OF BENJAMIN P. CHATHAM

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Partially Declassified/Released on 4 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Washington, D. C.

Wednesday, March 18, 1987

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UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF BENJAMIN P. CHATHAM

Washington, D. C.
Wednesday, March 18, 1987

Deposition of BENJAMIN P. CHATHAM, called for examination pursuant to notice of deposition, at the offices of the Select Committee, Room 901, Hart Senate Office Building, at 2:05 p.m. before DAVID L. HOFFMAN, a Notary Public within and for the District of Columbia, when were present:

JOHN DAVID SAXON, ESQ.
Associate Counsel
United States Senate Select
Committee on Secret
Military Assistance to
Iran and the Nicaraguan
Opposition
Room 901
Hart Senate Office Building
Washington, D. C.

Partially Declassified/Released on 4JAN88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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by Mr. Saxon	3

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Exhibit 2	22
Exhibit 3	22
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PROCEEDINGS

(2:05 p.m.)

Whereupon,

BENJAMIN P. CHATHAM

was called as a witness and, having been duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Mr. Chatham, first of all, I want to thank you for coming, for your willingness to cooperate with the committee. The conversations we've had, you seem to have an attitude of trying to help us in our process of getting at the truth of everything that went on.

And your what seems to be a small role may or may not seem relevant to you, but we're trying as best we can to find out everything we can.

For the record for us, would you state your name, address, phone number, and so forth?

A Do you want my business address or personal?

Q Both.

A My name is Benjamin P. Chatham. Business address is Automatic Door Specialists, 132 Washington Boulevard,

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Laurel, Maryland 20707.

Home address is [redacted] Laurel, Maryland 20708.

Q Your business is Automatic Door Specialist. What is your position?

A I am in charge of sales for the company.

Q Your title is Sales Manager?

A Or Vice President for Sales.

Q Tell us, if you would, what Automatic Door Specialists is? What's the nature of the business? What do you do?

A We do a variety of things. We sell, install and service automatic doors, automatic gates, access control systems, closed circuit television, anti-terrorist barricades, parking systems.

Q Any electronic surveillance systems?

A Well, only in that they're connected to access control systems. Burglar alarm type systems. Some outside sentry systems that go on fences, and things of that nature.

Q What can you tell us about the anti-terrorist systems that you have installed?

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A Okay. Most of them are installed for the government. [redacted]

From a non-U.S. government point of view, the [redacted] and the [redacted]

Q You're here, as you know, to talk about the installation of an automatic door at the home of Lieutenant Colonel Oliver North. I understand from what you've told me that when that was installed, at the time, you did not know it was the home of Colonel North.

But, for purposes of my questioning, let me just refer to the door that you installed at Colonel North's home.

For the record, would you tell us whether you knew that was the home of Colonel North when you installed it?

A No. My first knowledge that it was Colonel North's home was last Thursday.

Q But it was at Colonel North's home as best you

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have since been able to

A Yes, as I have been able to ascertain, that's true.

Q What was the address of the home in which you installed this gate?

A [redacted] Great Falls, Virginia.

Q Would you spell [redacted] for us?

A [redacted]

Q What was the date of the installation?

A I can tell you that we finished on or about the 6th of July because we invoiced the work on the 7th of July, and we normally do that shortly after finishing the work.

Q What type of door was it?

A Actually, we did not install the gate. The gate was already there. All we did was connect an automatic operator to the gate, install an intercom from the gate location to the house, to several locations within the house, so that people in the house could talk to guests.

And once they had talked to them, opened the gate from the house.

Q This was a gate at the entrance of the driveway?

A That's correct.

Q So that someone would come up to the house, there would be an intercom. They would --

A Press a button, which would ring a chime in the house.

Q Someone inside could activate the door being opened?

A That's correct. Additionally, there were controls that the residents of the home could use on their automobile to open the gate from their automobile.

Q Who specified the particular features that you were to provide, since you didn't provide the gate itself, without using features for everything that you would have provided?

A The gate was already there. The remainder of equipment was arrived at in a discussion between a man by the name of Glen Robinette and myself.

Q Did Mr. Robinette recommend any particular types of features?

A He had a general idea of how he wanted it to operate. It was a compromise position on what he wanted to spend and what we could install for that price.

Q Was it your sense in talking with Mr. Robinette that he had been to the residence and was familiar with the physical features of the gate, and so forth?

A Yes. At the time that I initially discussed this job with him on the telephone, he appeared to have been to the residence before. And then we subsequently met at the location prior to me giving him a proposal to do the work.

Q Have you since had occasion to service the gate or any of the equipment you installed?

A I think we have serviced the equipment a couple of times. I don't have those dates. But I would say that the majority of the service work was done probably within the first 90 days after the installation.

Q And in the normal course of business, you would service the equipment?

A Yes, because the equipment we install has a manufacturer's warranty of 90 days. So any parts that go bad, we have to replace under that warranty.

Q Who contacted you with regard to the service needed when it was provided?

A Mr. Robinette.

Q Do you know who was home, if anyone, in the times when the gate was installed or serviced, or any of the times

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that you or anyone else may have gone out to the North home?

A On the two occasions that I was there in reference to the proposal, no one was home. During the installation, the people that I had installing the equipment stated that there were at least two women and some children there.

Q I assume someone would have had to be home to allow your technicians in to do the installation?

A Yes. And before we went to do the installation, we had to coordinate the date and the time with Mr. Robinette so he could ensure someone would be there.

Q You learned that this was Colonel North's home, as you said, I believe, before we began last week, from the media. Is that correct.

A Yes, when CBS called and wanted to make some inquiries.

Q At no point did Mr. Robinette say this is Colonel North's home, Oliver North's home? Mr. North's home?

A No. He said that it was an associate of his that he was doing a favor for.

Q Who paid for the installation of the gate?

A Mr. Robinette.

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Q What was the total amount?

A $2,173.

Q How was that paid for?

A Paid in cash.

Q Was it at all unusual for you to do a job in that price category or neighborhood and be paid in cash?

A I would say yes because there have been very infrequent times when anyone's paid us in cash.

Q Did you make any comment at the time about being paid in cash?

A No.

Q Who received the cash?

A I did.

Q So, if any comment would have been made by anyone, it would have been you?

A Right. In fact, I was called, upon his receiving our bill, he called and asked me to meet him so that he could pay me in cash.

Q Did Mr. Robinette say why he was paying in cash?

A No.

Q Did he make any comment about whether that was his usual manner of conducting business?

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A No. He did not.

Q Did he say why he wanted to have you meet him somewhere?

A No. And the place that we met was kind of a peculiar place.

Q Why don't you tell us about where did you meet?

A We met at a Japanese restaurant in Silver Spring, Maryland, called the Sakura Palace.

Q Is that the place of his specification?

A Yes.

Q Did you sense he was specifically specifying a neutral meeting place rather than on your premises?

A I had no idea why he picked this particular place. My memory on why is hazy, but I think he said he had to meet someone else there later. But I may be a little hazy on that. But I think that he said that.

Q Would I be safe in saying or concluding that this was a bit unusual, both as to payment in cash and to meet off your premises?

A Yes, it was. And the fact that I was paid primarily ion $20 bills, it was given to me in a plain white envelope, was again very peculiar.

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Q Anything else unusual about the bills? They were $20 denominations?

A Mostly twenties. I think there may have been one 100 and maybe two fifties. The rest was all twenties.

Q Who made the initial contact with your firm regarding this job?

A Mr. Robinette called and I do not know the date, but I assume that it was sometime in mid-June, asked for some type of budgetary estimate on what it would cost to do some work on a gate and an intercom system in Great Falls, Virginia.

I gave him that estimate. The following day, he called back and asked if I would meet him at the residence. I met him at a gas station near the residence, and he drove down and I followed him to the residence.

Q Did he specify that you meet him at the gas station?

A Yes.

Q Did he say it was because the instructions specifically to the home would have been difficult to follow? Was that the easy way?

A Well, I think he did it because that would be a convenient place to meet.

Q Did he say anything which would indicate when he called for the estimate that he would have to look at a budget, look at cash flow figures? Go to anybody else for approval in any way for this amount of money, and for this particular job?

A No, he did not, although I assume that that was probably the case.

Q Did he ever use a statement of "we"? "We have to do this"? "We have to set this up"? We have to have this amount approved"? "We have to come up with the money"?

A No. His only terminology was that he was doing it for an associate.

Q Did anyone at Automatic Door other than yourself deal with Mr. Robinette in this matter?

A No, that's it.

Q Other than Mr. Robinette saying that he was doing this at the home of an associate and he was doing it as a favor for that associate, did he say what the nature of his association with the individual we now know to be Mr. North

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was?

A Well, I believe he said that they had been associated prior to the present time in the Middle East. And that he felt that by doing this work that we possibly would be able to do some further work in the future.

And one of the things he asked me about was did we do work in overseas locations. And I said not normally but, depending upon what it was, we would certainly consider it. And there was a discussion about it.

It involved installing electronic devices on buildings in overseas areas. And when I asked which areas, I was told that he was not at liberty to tell me that, but it would be in the Far East and other parts of the world. And that our personnel would have to have government security clearances.

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Q Did he tell you why he was handling this himself?

A I can't remember the exact words. He said he was doing a favor for this friend of his who was too busy and did not know the types of things that he would necessarily need to provide security for his home.

Q Did he say why this associate needed security for his home?

A The statement was made that there had been some vandalism or damage done in the area of the home, specifically, the mailbox, and in addition to the equipment that we did install, there was some discussion about installing closed circuit TV to monitor the mailbox area.

Q I recall from your earlier description of the type of work you do, that that would be something you could do; is that correct?

A Uh-huh.

Q Has there been any subsequent discussion?

A He asked me for a price to install some equipment. I gave him a price. He seemed to indicate that was too expensive, and he wanted to know if we would rent or lease the equipment on a short-term basis, and I said, no we would not do that. So that ended the conversation in regard

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to that equipment.

Q Going back to my question about the reason why his associate would have needed this equipment, you said there had been some vandalism, some damage to the mailbox. In the context of your discussion with Mr. Robinette on this point, did you sense it was anything other than the kind of home security problems the average citizen in the Washington area would have?

A No, because we have as lot of customers who ask for that type of stuff, because they do have vandalism or break-ins occur, where they want to protect themselves for that reason, particularly those in the higher income brackets that live in places like Great Falls and Potomac.

Q Is this a home you would classify as -- at the time you did it, knowing nothing else, that it would have belonged to someone in an upper income bracket?

A No. Decidedly not. I would say the home, except for its location -- it was located in a fairly good neighborhood, but the house itself was old, and it was not kept in a very good state or order.

Q A modest house?

A Very modest and not kept up very well.

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Q Can you think of anything else Mr. Robinette said to you on any of these occasions, which would have any relevance to any of the things we've talked about?

A No. And as things have transpired, the fact that Colonel North is the owner of the house, even if he had told me at the time, it would not have meant anything to me, but he did not indicate anything out of the ordinary, other than it was a normal security thing that he was doing for a friend.

Q Did he indicate that he had done any other favors for this associate?

A No, he did not.

Q Did he indicate that he had done any favors for any other associates, that in any way he did this for lots of his friends, lots of his associates, whatever?

A No, he did not.

Q The name, "Oliver North," never came up in your discussions with Mr. Robinette?

A Absolutely not.

Q Did the name, John Poindexter, ever come up?

A No.

Q Robert McFarlane?

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A No.

Q None of the names you and I have seen in the news the last few months, relating to these matters?

A No, in fact, the only name that I associated with this is Mr. Robinette. Now one of the names that has subsequently come out, I know, because of the place that I used to work. General Secord. He was still on active duty. The company I worked with did business with the Air Force, and I knew him from that. But outside of that, I had no knowledge of the other people.

Q Have you done any other work, either before this job or after this job, for Mr. Robinette?

A No.

Q Do you know how he came to know you?

A No, I do not. I assume that he just picked us out of the Yellow Pages. I have no idea.

Q Other than the time period when Mr. Secord was on active duty, have you done any work for Richard Secord?

A No.

Q Have you done any work for Thomas Clines?

A No. In fact, the first time I knew that name was on the subpoena.

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Q Let me go back to Mr. Robinette's inquiries to you regarding possible work in the Middle East involving electronic devices on, around or in buildings, and so forth.

Did he say, at any point, what the nature of his business was?

A No. But I assume that given the name of the company that he was in some sort of consulting -- putting together deals type of thing.

Q What company name did he give you?

A Glen Robinette & Associates.

Q So when you sent a bill, that's to whom you sent it?

A Yes.

Q When he talked about this and said that it would be in other countries, it would be in other parts of the world, which he was not at liberty to disclose the precise location of, when he said that personnel would have to have government security clearances, what went through your mind?

A The implication that I arrived at was that it was probably some government type installations in the overseas areas, particularly since you would have to have U.S.

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Government security clearance.

Q Did you ask him who this work would be for?

A No, I did not.

Q Did you ask him if it were government-related or government-sponsored?

A No, I did not.

Q Did you ask him who any of the other parties would be?

A No, I did not. I assumed that, given the way the man operated, that he was, in fact, what he turned out to be, an ex-CIA agent.

Q I take it from what you've said, you have had dealings with the government?

[redacted]

A Well, yes. A lot of our work is done for the Federal Government, by the nature of it. [redacted]

[redacted]

Q Was the mode of operation Mr. Robinette followed, consistent with what you had come to see and experience?

A No, I would say it more closely followed what you read to be the mode of operation for their covert agents.

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Q Let me ask you about any documents, paper, you have with you.

Was there a purchase order written up when this first came in to your company?

A Yes. I submitted to him a contract specifying what we would do and what the price would be. I signed it. He was accepting that and giving us the authority to proceed, signed it and returned it.

MR. SAXON: Let me ask you to mark this as Deposition Exhibit 1.

This is denominated as a proposal from ADS Automatic Door Specialists, which at the bottom, evidences acceptance of the proposal and bears the signatures, as Mr. Chatham said, of himself and Mr. Robinette.

(Exhibit 1 identified.)

(A pause.)

THE WITNESS: The difference in amount of the original $2154 and the $2173 that we billed him was the cost for an additional transmitter for the automobile.

BY MR. SAXON:

Q Okay. Thank you.

Let me ask if you have other documents which you wish to provide us?

A At the time that we concluded the work, I wrote a note to him thanking him -- as a letter of transmittal for an invoice and thanking him for the business. That is the letter. This is a copy of the invoice that was attached to it.

MR. SAXON: Let me have you mark as Exhibit 2, the letter from Mr. Chatham to Mr. Robinette on the letterhead of Automatic Door Specialists, which as Mr. Chatham has just told us, attaches an invoice and thanks him for the business.

(Exhibit 2 identified.)

(A pause.)

MR. SAXON: Let me give you, for Exhibit 3, the actual invoice under the name Automatic Door Specialists, a job invoice, a particular number. Evidences the work done, the total amount of $2173, and I see where, as that is dated, typed in "7/7/86," written at the bottom is a notation that on 7/10/86, this was paid in cash.

(Exhibit 3 identified.)

BY MR. SAXON:

Q Mr. Chatham, when you received the payment in

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cash, did you have this invoice with you, and was that notation made then or was it made later?

A That was made by the lady that does our bookkeeping in the office.

Q Based on your having told here?

A Yes. I brought back the case. I have a deposit slip, where we deposited it in the bank the same day.

MR. SAXON: We will mark as Deposition Exhibit 4, a deposit ticket with Citizens Bank of Maryland, in the amount of ~~$1,173~~ $2,173, which is the precise amount of the invoice, apparently the amount of cash conveyed, and the deposit ticket dated July 10, 1986.

(Exhibit 4 identified.)

BY MR. SAXON:

Q Are there any other documents which you have?

A No, I believe that's the ones that show how the transaction occurred.

Q Was there any subsequent correspondence, either in writing or communication by phone or otherwise from Mr. Robinette after your dinner meeting with him in Silver Spring at the restaurant at which he gave you the cash?

A The only discussions after that were telephone

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conversations about things that were not working correctly on the gate.

Q Pertaining to the service?

A Pertaining to the service of the gate.

Q That was the only contact?

A That's the only other contact.

Q When you were at the North residence, what we now know and assume to be the North residence or when any of your technicians doing the installation or service were there, did you observe anything, or did they report their observance of anything which, in any way, was unusual abut the home, its contents, et cetera?

A No. Well, the technicians. I was never in the house myself, only on the outside.

The technicians who installed the equipment were in the house, because they had to install the intercom system and the wiring through the house. Their comment was that the house was in a very unkempt condition, particularly the basement area, where they had five or six cats running around with no litter box.

That is the sum total of their comments about the house.

Q No statements, however, on their part about observing anything pertaining to national security -- computers, documents, anything that would suggest, as we now know and assume that this was the home of Colonel Oliver North?

A No.

Q Since this story broke and you were contacted last week by CBS News, the story pertaining to you involvement, your company's involvement of Automatic Door, have you heard from anything other than our committee and the Washington Post about this matter?

A The only people I have talked to about it was this committee, CBS News, specifically a man by the name of Howard Rosenberg, and the Washington Post, George Lardner -- L-a-r-d-n-e-r. I have not talked to him, specifically. He called and left a message, and I tried to call him back. Never could get ahold of him.

Q You have not heard from anyone representing Mr. Robinette in a legal or other capacity within the last week or so?

A No.

Q Let me back up and ask you, what is the period of

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your employment with Automatic Door?

A I've been there since April 15, 1985.

Q Since your employment by Automatic Door, have you had occasion to do any work for any of the individuals or entities names and listed in the attachment sent you, Attachment A? That would be in addition to Mr. Robinette, Richard Secord, Thomas Clines or Oliver North.

A No.

Q I would add to that Edwin Wilson.

A No.

Q In your employment prior to Automatic Door, who were you employed with?

A A company called the BDM Corporation. It's in McLean, Virginia.

Q What was the period of your employment there?

A From June 3, 1977, until March 18, 1985.

Q Was it a similar kind of work?

A No. They are what is termed a "Beltway bandit" type company. We did primarily U.S. Government contract work and primarily in the defense arena. The part of the company that I worked was involved in two things. Large dollar multiyear contracts with U.S. Government agencies and

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with foreign defense establishments, specifically, Saudi Arabia, the Republic of China, the Kingdom of Kuwait, Egypt, other countries and with NATO.

Q Let me ask you if, in your period of employment with BDM, you had occasion to do any work for Richard Secord.

A With him, personally, no. With one of the commands that he was in charge of, yes.

Q When he as an active duty officer?

A Yes.

Q What about Edwin Wilson?

A No. My only knowledge of him was what I've heard in the press.

Q What about Thomas Clines?

A My only knowledge of him was the subpoena.

Q What about Theodore Shackley?

A No. I never heard of that name.

Q What about John Singlaub?

A Yes. I've heard General Singlaub's name in reference to his being fired by the previous Administration and also his involvement with the operation in Nicaragua or Honduras.

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Q But did you do any work for him while at BDM?

A No.

Q With regard to all of the individuals I just named, while you may not have done any work for them at BDM, other than the way you've characterized it with General Secord, are you aware that BDM did any work for any of these individuals?

A I would seriously doubt it. The only possibility would have been General Singlaub, and if we had, I don't know when it would have occurred, because I know he was in Korea before he was put out of the military, but the other people I seriously doubt it. [redacted]

(Discussion off the record.)

BY MR. SAXON:

Q I just have a couple of more questions, Mr. Chatham.

When Mr. Robinette told you that he was having this work done as a favor for an associate, did he make any statement at all as to whether he expected his associates to repay him or return the favor in any way?

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A No, he did not. I assumed that the money he ultimately paid me came from the associate. I had no reason to believe one way or the other that he, personally, was paying for it.

Q That statement, referring to what you said earlier about Mr. Robinette's indicating his friend was too busy and didn't know the kind of --

A Right; uh-huh.

Q Would you say, from the descriptions Mr. Robinette gave you of the kind of equipment that he wanted or would recommend or wanted to inquire about with regard to price, is it fair to say he seemed to be familiar with this kind of equipment?

A Seemed to be; yes. I would say more familiar than the normal residential customer that will call you.

Q Did you comment on his apparent knowledge in any way?

A No.

Q Did you say "You seem to have dealt with this equipment before"?

A No.

Q A final question. When you met him at the restaurant and received the envelope, did you make any statement -- either at that time, immediately prior or subsequent, did you inquire as to why he wanted to go to a restaurant or a --

A No, I did not.

Q Did you make any comment as to whether it was kind of unusual?

A No.

Q And when he handed you the envelope, what did he say? How was that handled?

A He handed me the envelope and asked me if I wanted to count it, and I said, no. I just put it in my pocket.

Q But when he handed you the envelope, he said, "This is the payment for your invoice"?

A Right.

Q And I assume you looked in the envelope and saw that it had cash in it?

A Money; yes. And I put it in my pocket.

Q Did you make any comment?

A No.

Q You didn't say, "It's kind of unusual," or "Why are you paying in cash"?

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A No, I did not.

MR. SAXON: Mr. Chatham, I want to thank you again for appearing, for providing us these documents, for what seems to me to be your apparent willingness to tell us everything you know.

This has been quite helpful. Thank you.

(Whereupon, at 2:50 p.m., the taking of the deposition was concluded.

(Signature waived.)

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, DAVID L. HOFFMAN, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

David L. Hoffman
Notary Public in and for the
District of Columbia

My Commission Expires 6/30/90

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HSITS-102/87

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BOYUM
MILTON

CIA AIR BRANCH CHIEF

DEPOSITION OF [redacted]

Friday, June 19, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D. C.

The Committee met, pursuant to call, at 10:00 a.m., in Room 2226, Rayburn House Office Building, Pat Carome presiding.

On behalf of the House Select Committee: Pat Carome.

On behalf of the Senate Select Committee: Timothy Woodcock.

On behalf of the Witness: Phyllis Provost McNeil and Rhonda M. Hughes, Central Intelligence Agency.

Partially Declassified/Released on 22 DEC 87
under provisions of E.O. 12356
by B. Reger, National Security Council

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THE WITNESS: I would like to start just to say that I don't have any records. I am working on memory, so what I say is going to be the best of my recollection, but I can't guarantee anything. I'll do my best.

Whereupon,

[redacted]

was called as a witness and, having been previously duly sworn, was examined and testified as follows:

EXAMINATION ON BEHALF OF

THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q All right. Just for the record, [redacted] -- actually, first, could you spell your name? I have never been quite sure how you spell it.

A [redacted]

Q Just for the record, my name is Patrick Carome. I am a staff counsel on the House Select Committee to Investigate Covert Arms Transactions with Iran. Our committee has been established pursuant to a House Resolution and we have rules.

The CIA has previously been given copies of these rules. I am handing you a copy of each of those for you to have if you would like them.

Our committee has been set up to look into, as its name suggests, covert arms transactions with Iran.

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We are also looking into matters involving support for the contras.

There is a parallel Senate committee. It may be that a Senate lawyer like me will come and they may have questions for you as well.

I would like to begin by asking you to state your current position with the Central Intelligence Agency, and why don't we just start there.

A I am assigned from the Directorate of Operations to [redacted]

[redacted]

A From '84, October of '84 to October of '86, I was assigned to headquarters here in Washington and was chief of [redacted], which is the reason I'm here.

Q You were chief of [redacted] during that entire stretch of time, is that right?

A October, '84, to October, '86, two years, yes.

[redacted]

[redacted]

Q Please describe the nature of your job as chief [redacted]

A That is a broad question. [redacted] air operations [redacted]

Q To whom did you report in that position?

A I reported to the chief of the -- at that time it was named [redacted], I believe.

[redacted]

Q I see.

A But quite often it was such a small thing, I would sometimes go directly to the chief of the whole division, which was -- that was the chain of command as it was.

[redacted]

Q Positions; why don't we start there.

A I had a deputy which most of the time was [redacted]

Q I take it that one of the activities of the [redacted] was to work with Agency proprietary companies in the airlines business; is that right?

A Yes, we worked -- they were part of us, as a matter of fact. They came in the chain of command underneath you, yes.

Q How did the air proprietaries fit in?

A Well, essentially we would get -- receive operational orders or plans or something from normally from an area division and then come down to us and we would essentially task a proprietary to perform the air mission required. And it was fairly -- they weren't necessarily involved in the planning but they were told what to do.

[redacted]

BY MR. CAROME:

Q And I take it that one of those was [redacted] [redacted] is that right?

A Correct. Yes.

Q What was the chain of command between you and [redacted] in November, 1985?

A November, '85? I had an officer, [redacted] who was running the [redacted] section, and from the [redacted] section it went down to an officer [redacted] whose full-time job was to liaise with the proprietary.
PROJECT OFFICER (PO)

Q That is [redacted] is that right?

A Yes, that is true.

Q I take it that it was -- let me withdraw that question.

Was the proprietary point of contact between [redacted] and PO [redacted] AIRBRANCH SUBORDINATE (S)?

A Normally, yes.

Q When you say normally, what would be the --

A I could also have direct contact if for some reason S [redacted] wasn't there, or, you know, it was not a strict construction but that would be the normal contact, yes.

Q And I take it that PO [redacted] then was the primary point of contact with the people who were actually at [redacted] is that right?

A Almost exclusively.

Q And that it would be a rare situation for someone at [redacted] to speak directly to someone [redacted] is that right?

A Very rare. I can't think of an instance, but it is possible.

Q And the person who PO [redacted] dealt with primarily at [redacted] was PROPRIETARY MANAGER (M) [redacted] is that right?

A To my knowledge, almost exclusively again.

Q During 1985 and to your knowledge, how many times did a [redacted] plane go to Iran?

A Geez, I -- I think several times, but I'm not really sure.

Q Could you please tell me the times that you recall, again speaking about 1985?

A The flight in question, of course, in November of '85.

Q That is one. What others are you aware of?

A There may have been a flight -- and I'm not really sure about this -- a flight in August of '85, but it had no connection whatsoever with what is in question. It was a commercial type flight.

I can't say that for sure because I have never seen any documentation on that, but I was told that was the case and I won't question it. But I have not personally seen it.

Q We have been told about and have received records about a flight from I guess [redacted] to Tehran.

A I think that is the flight.

Q In early August, 1985.

A That is the one that probably took place.

Q And this obviously is not my chief area of inquiry, but were you aware of that flight at the time it was taking place?

A Well, this is a question that came up before and I would say that if I were in the office at the time, and I may have and I may not have been, it would have come through me, the request, and I would have taken it up to my superiors for authority to operate the flight.

Q What you are saying is that that is the way you would have responded to that --

A Without question.

Q But that you don't have a specific recollection of doing that; is that right?

A Yes, but I won't say it didn't happen because you can't imagine the number of things that happen. But it's a pretty set procedure and it would never have gone without that authority.

Q Do you recall whether any contact was made with Central Intelligence Agency lawyers to look into legal questions surrounding a flight like that to Iran?

A No, but normally that would certainly be the procedure.

Q I take it that [redacted] performs both -- at the time performed both commerical flights and non-commercial flights on behalf of the United States Government; is that right?

A Yes.

Q And what were the rules or understandings about [redacted] ability to take on commercial flights; were there any restrictions on the types of commercial flights that [redacted] could handle?

A Yes, any flight of an unusual nature, a flight to [redacted] for instance, or anything of that sort would, the standing instructions were to, that it had to have approval from headquarters. That is the reason, but PO [redacted] was actually [redacted] One of his primary functions --

MR. CAROME: Let's go off the record a second.

(Discussion off the record.)

MR. CAROME: Let's go back on the record.

Could you read back the last question and answer.

(The reporter read the record as requested.)

BY MR. CAROME:

Q Okay. Would you finish that -- you were describing what one of PO [redacted] primary functions were. What were you about to say?

A That is really it.

Q One of his primary functions was --

A Was to coordinate to make sure the nature of the flight was reported to headquarters and the flight didn't operate without the approval.

Q Were there any restrictions on the nature of the cargo which [redacted] could carry without getting prior approval from the Agency?

A If it were something out of the ordinary, that would be reported, should be reported to headquarters, and we would have asked permission to do that.

Now, you know this is kind of a -- you have to picture this airline. It is sort of like a tramp freighter. Sort of plodding around from point to point, and you don't ask too many questions when you are doing this. The reason you don't ask questions is because you want the people to come to you for this type of business.

Q When you say you don't ask too many questions, who is "you"?

A The proprietary doesn't ask too many questions.

Q About the cargo it is carrying?

A Right. Because what you are doing is you are trying to establish your credibility with these people in the movement of cargoes. It is a highly competitive business.

Q But I take it that it is important to any cargo company to know the nature of the cargo it is carrying, isn't that right?

A Yes.

Q And you said that unusual cargo would prompt a requirement to get in touch with headquarters.

A Yes.

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Q Do you place in the category of unusual cargo military weapons, armaments, et cetera?

A Unusual-type armaments, I would say, yes.

Q Would missiles be unusual-type armaments?

A Yes, it would be.

Q Would black powder be unusual-type armaments?

A Not really.

Q Other than this August, 1985, flight [redacted] [redacted] to Iran and the November, '85, flight, that is the prime reason we are here, are you aware of any other flights by [redacted] into Iran in 1985?

A I can't recall any.

Q You can't be certain that there weren't others, though, is that right?

A We are looking back along time, but I don't think there were any others. '85 -- this is '87, yes.

Q I take it that you were aware of the nature of the cargo on the August, '85, flight [redacted] to Iran, is that right?

A No.

Q You don't know what the cargo was?

A I don't recall the specifics of the flight. I told you that. The black powder business came up, you know, in -- when they were doing all the research, you know, afterwards.

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(Exhibit No. [redacted]-1 was marked for identification.)

THE WITNESS: That was 14, 15 months later.

BY MR. CAROME:

Q [redacted] I am placing before you what has been marked as Exhibit 1. It is a memorandum dated August 26, 1985. I ask if you recognize what that document is.

A I will --

Q Just for the record, large portions of it have been deleted.

A No, I don't recognize what it is.

Q It states, "Our 707 made the flight [redacted] [redacted] to Tehran 13 August and" --

A Is that an activity report?

Q I believe it is.

A Oh, okay. Yes, I do recognize it.

Q And --

A I presume I would have seen that, but I don't specifically recall it.

Q All right.

It says that "the cargo was reported to be 30-ton smokeless powder and detonators [redacted] [redacted]

Does that refresh your recollection as to what had been carried on that flight?

A By reading that, I presume that is correct, but --

Q You don't have a --

A It refreshes my recollection because I read it right here.

Q You don't have an independent recollection of what that cargo was?

A No. But I learned of the specific cargo, or I recall the specific cargo when we were -- when [redacted] and everyone else was researching in November of when it would have been, November, '86.

Q I see. I take it that when the --

A I would not have recalled it unless I'd seen it. Because you got thousands of things, you know, many thousands of things that happened in the meantime. But if that is in the activity report, that is fine.

Q I take it that when the flights to Iran became public in November, '86, you were asked by someone to look into [redacted] involvement in covert flights to Iran, is that right?

A I wasn't working in [redacted]

Q You were not?

A No, sir.

Q But you were asked to provide some facts on the subject, is that right?

A Well, I gave testimony to our inspector general's staff, in a formal interview to the FBI, and testimony before the Senate -- what do you call that?

MS. HUGHES: SSCI.

BY MR. CAROME:

Q You have before you some handwritten notes. Can you tell me what those are?

A Those are notes I made prior to -- it would have been in early December, '86, prior to testifying before the Senate committee she just mentioned.

Q And I take it you have used those notes to refresh your recollection --

A That is all I have.

Q -- for today, is that right?

A That is right.

Q Can we take a look at those notes?

A Sure.

MS. HUGHES: No. We will have to object to that. We will have to process them as we process any requested document through the Agency.

MR. CAROME: Let's go off the record for a second.

(Discussion off the record.)

MR. CAROME: Let's go back on the record.

THE WITNESS: Help yourself.

MR. CAROME: Just for the record, we have been given access to [redacted] handwritten notes and are taking a look at them.

THE WITNESS: The notes were prepared in December of 1986 prior to testifying before the SSCI. Is that what it's called?

MS. HUGHES: Yes.

MR. WOODCOCK. In drafting these notes, [redacted] did you use any documents on that?

THE WITNESS: No, sir.

MR. WOODCOCK. You relied only on your memory as it was at the time; is that correct?

THE WITNESS: It was to give me some sort of chronological sequence in testifying.

MR. WOODCOCK: But you created them only by reference to your memory; is that correct?

THE WITNESS: That is correct.

MR. WOODCOCK: Have you since then had opportunity to check your memory against any documents that may have been created about that time?

THE WITNESS: I have no desire to.

MR. WOODCOCK: I understand that, but did you?

THE WITNESS: No.

MR. WOODCOCK: Okay.

BY MR. CAROME:

Q I think we will ask you some questions about these notes at a later point.

What I would like to do now is turn our attention to the November, 1985, flight. Could you please tell me when you first heard about the need to perform the flight and what happened after that point? If you could just narrate the story essentially.

A Sure. I received a call Friday afternoon, late Friday afternoon, November -- I don't know what the actual date in November was, but that is a matter of record, I am sure.

MR. WOODCOCK: That would be 11/22.

THE WITNESS: Twenty-two November, that would be right, from Dewey Clarridge's office, who was at the time chief of European division saying he wanted to talk to me.

MR. WOODCOCK: Whom you say you received a call from Dewey Clarridge's office, is that Dewey Clarridge himself?

THE WITNESS: No, he wasn't that. It was just someone making the call.

BY MR. CAROME:

Q His secretary?

A No, it was someone sitting in up there, but --

Q Who was that?

A I don't really know -- I'm not really sure who it was, but it was immaterial, it was just relaying a, you know, "Mr. Clarridge wants to see you."

Q Then what happened?

A I went up to his office, cigar smoke and all that sort of stuff, if you know him, and he said that we had a very sensitive mission in the Middle East and we need a 747 aircraft right away and of course you don't pull 747 aircraft out of the sky, particularly into the Middle East, and so I said, "Well, we'll see what we can do," and I went back down and very quickly, and in conferring with S [redacted], we very quickly determined that it was highly unlikely that it would be possible to get a commercial 747 for lots of reasons, insurance, war zones, you know, things like that. You just don't charter an aircraft into the Middle East without a lot of preparation.

So we went back up and said, "Look, we can't do this, Dewey, but we might be able to get a 707 from our [redacted] proprietary."

He gave me some cargo dimensions and we checked to see if that type -- if that size cargo would fit on a 707 and then sort of closed for the day. I kind of thought it would go away as these things usually do, these sudden requests.

Then the next morning I came in and --

Q When you say "came in," came in to [redacted] is that right?

A Came into the office. And unfortunately I forget how I got the word, but Dewey was kind of sitting there waiting for me up in his office and with him in the office were North, a gentleman by the name of Allen.

Q What is his first name?

A Charles Allen.

Q All right.

A And a third person whom I don't know.

Q You did not recognize the person at the time?

A No.

Q And you have not since learned who that was?

A I have asked. He has a deformed back. I've seen him around the Agency but I just don't know him. I think he is from the DI side.

Q And --

A He didn't seem to play a role, but he was there.

Q And have you ever heard his name or learned his name?

A No.

Q Please continue.

MR. WOODCOCK: Do you know who he is?

MS. HUGHES: I have no idea.

MS. McNEIL: I don't know who he is either.

MS. HUGHES: I don't know any deformed-back people.

BY MR. CAROME:

Q Just so we have a sense of time frame here, what time was it that you went up to this meeting?

A About 10:30 in the morning.

Q If you could continue the story from there.

A Yes. Initially, the flight was supposed to go [redacted] to Tel Aviv.

MR. WOODCOCK: Who is telling you this?

THE WITNESS: Well, this is Dewey, but they are all sort of discussing it. A lot of confusion.

And sometime during the course of the early afternoon, I would say, it came out that the final destination was to be Tehran and I immediately realized that we were dealing with a type of flight which would require approval way above me and I asked Dewey if he had approval from the director of operations. And he said the director of operations was out of town and he would get in touch with the acting deputy -- the acting director of operations.

MR. WOODCOCK: I don't want to lose you here, but we have to be careful to keep events separate. As I understand your testimony, when you first go into Clarridge's office approximately 10:30, the group of people that you described was present and some information was given to you about [redacted] Tel Aviv and then I think you testified that later that afternoon, you learned that Tehran was the ultimate destination; is that correct?

THE WITNESS: Yes.

MR. WOODCOCK: All right. What I would like you to do is if you could tell us first what happens in the morning meeting and then what happens after you learn that Tehran is the final destination.

THE WITNESS: In the morning meeting there was just a lot of confusion going on. They are trying to, you know, there is a problem transiting [redacted] they decided they are going to go through Tel Aviv and then at some point during this time, which was roughly from 10:30 to 2:00 in the afternoon, it came out that the final destination was -- through little bits and pieces coming out all the time -- was to be Tehran.

BY MR. CAROME:

Q Let me try to understand the scene. Are you spending that morning and early afternoon actually in Mr. Clarridge's office?

A In and out of Clarridge's office and I am just sort of sitting in the corner while they sort of get things straightened out.

Q And what was the confusion over that morning?

A Lots of confusion. They -- it was obvious that this thing had been put together very quickly.

Q Why was that obvious?

A Because they were trying to pull pieces together. That is just a speculation on my part, but it certainly did not appear to be something that was well planned. It is a sort of thing that was thrown together, it appeared to me, at the last minute.

Q I take it there were cables being sent back and forth?

A I didn't see any cables.

Q You saw no cables?

A No.

Q Were you going back and forth between Mr. Clarridge's office and [redacted] at that time?

A Yes.

Q How far apart are those two places?

A Ten minutes.

Q How many trips do you think you made back and forth that morning?

A I have no idea, but I spent a good part of the morning in his office and a good part of the afternoon actually.

Q And was North there the whole time?

A I think so, just about the whole time.

Q Was Allen there the whole time?

A Just about the whole time.

Q Was this person with a back problem there the whole time as well?

A In and out.

Q Did anyone else come in and out during that day?

A I don't specifically recall; but not for a long period of time.

Q Why don't you pick up the story there, I guess at noontime or whatever, when the subject of possibly going to Tehran comes up and tell us what happened from there?

A I was concerned because I realized that this has more than just a normal-type flight overtones, so I wanted to make sure that we had the right authority within the directorate of operations.

Q What did Clarridge do on the subject of DO or ADDO approval?

A I asked him a second time and later on, and he said, "Yes, I do have ADO approval." Frankly, that was my primary concern.

Q Who was the ADDO at that time?

A Juchniewicz.

Q And then what happened?

A Arrangements were -- I was conferring all the time with [redacted]

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Q Was [redacted] in [redacted] on that Saturday?

A He was mostly down at [redacted] yes.

Q He was in that whole day?

A No, I don't know how long. But he was there and then he was at ome type thing, but we were talking by telephone. That -- at one point I might add, since it is on my notes here, I guess, that a call was made to [redacted]

Q Do you know what time that call was made [redacted]

[redacted]

A Sometime in midday roughly

Q Who made the call?

A Clarridge, because they wanted to use, consider [redacted] as a transit point for the aircraft.

MR. WOODCOCK: Do you know who he was calling

THE WITNESS: I think he was calling [redacted], but I wasn't part of the conversation.

BY MR. CAROME:

Q Do you know what response he got?

A No, I was just sitting in the corner. But we didn't go [redacted] so it must not have been positive. Then I sort of went home and I tried to reach my immediate boss, [redacted] and he had just taken over.

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Q What time did you go home?

A I went home around 2:00 o'clock in the afternoon.

Q When you got home --

A Give or take a couple hours. I didn't keep a log, obviously.

MR. WOODCOCK: When you left North, Allen, and the fellow with the deformed back, they and Clarridge were still there?

THE WITNESS: I don't know how many people were still there, but Clarridge was still there.

BY MR. CAROME:

Q And North was still there?

A I can't say, sir.

S

Q And was [redacted] still there when you left?

A I can't say that specifically. I would think he probably went home, but I don't know.

Q I think you were about to tell us when you got home you attempted to make a phone call to [redacted] is that right?

A Yes, I tried to reach him a number of times because I didn't want him to be surprised. People don't like to be surprised by things. I was not able to, because he just moved in and he was staying with a relative, and it was just one of those things.

Sunday morning I was able to reach the head of the

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division, [redacted] boss, [redacted]

Q What time was that?

A That was about 10:00 or 11:00 o'clock Sunday morning.

Q And what did you say to him and what did he say to you in that conversation?

A He had exactly the thoughts I had. I told him of the flight, and he said, "Well, was the DO informed," and I said, "The ADO has been informed," and he was relieved.

And secondly, we talked about the safety and security of the flight.

Q What did you tell him about the flight?

A I, you know, outlined the fact that it would be going into Tehran and obviously was going to be -- there were some safety concerns, primarily because of the -- it is hard to tell, you know, the reaction of the Iranians, and we were -- we discussed that, obviously, and that was essentially it.

Q What did you tell him about what the flight was doing?

A I told him that it was on a sensitive mission into Tehran.

Q What did you say the flight was carrying?

A Nothing.

Q At that point, did you know what the flight was carrying?

A No.

Q What had you been told about the cargo?

A Just the dimensions of the cargo, and you don't ask unnecessary questions when it comes out of the White House. I presume it was something sensitive, obviously; they wouldn't be doing it otherwise.

Q Had you been told that the cargo was oil drilling equipment?

A No, I had not, as a matter of fact.

Again, I want to say that I am working on memory, and, you know, I --

A Just so we have a clear idea of what your testimony is, I take it that you have a firm recollection that you didn't know anything about the equipment on that Saturday and Sunday?

A That is right.

Q Other than the weight and dimensions, is that right?

A That is right.

Q You have a firm recollection of that.

A I have a firm recollection of that.

Q Why don't you --

A But I wasn't focusing on that. I would have focused on something if we were carrying something that were a hazard to the aircraft or something like that -- then I would have focused on it, but I wouldn't have focused on something that wouldn't have been.

Q We are going to end up going back and asking you particular questions, but it might be helpful to get the bulk of the story out.

A Sure.

Q You talked -- what was the upshot of the conversation with [redacted] that morning?

A He thanked me for briefing him, essentially.

Q And that was simply a question of bringing him up to speed on what was happening?

A Yes, because I didn't want him to get a call from somebody saying, hey, this is happening -- people don't like that.

Plus, I wanted to make sure that my immediate superior was aware.

Q What happened next?

A I essentially went home, and there were a lot of phone calls --

Q Just to be clear, did you go into work on that Sunday?

A I went in Sunday morning, because I was trying to track down [redacted]

Q And is that where you called him from?

A No. He came in to check the latest cables. It was a hot weekend. There was something else going on that weekend, but I don't recall.

Q So, you saw [redacted] that day?

A I saw [redacted] in his office, yes, that Sunday morning.

Q Did you do anything else in the office that Sunday morning?

A I don't recall anything else.

Q Did you see Clarridge?

A No, I think I talked to Clarridge on the telephone, but --

Q Where was he?

A I think he was probably at home.

Q Did you see North?

A No.

Q Did you talk to North?

A No.

Q What else happened that Sunday?

A That is essentially it. There were a lot of phone calls back and forth, and essentially, the details of the flight were ironed out.

Q Who were the phone calls between?

A Dewey and [illegible] I know of, I talked ..

to Dewey a number of times, just ironing out the details of the flight.

Q And what were the details being ironed out?

A Well, as I recall, I think the flight departed Tel Aviv [redacted] probably sometime on Sunday, and then departed for Tehran probably sometime Sunday evening.

Q Some of those phone calls were while you were at headquarters, and some of those phone calls were while you were at home; is that right?

A A large majority of them were while I was at home.

[redacted]

Q What happened the rest of the day Sunday on this matter?

A Nothing.

Q And then what happened next?

A The flight took place.

Q And wh [illegible] owing Monday with

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respect to this flight?

A As regards myself? Essentially nothing. We were very relieved. I think we knew probably Monday afternoon that the flight had been successfully completed and the aircraft was back, and that was about it, as I recall.

It was another page in history, and you go on to the next thing.

Q Why don't we go back over this with specific questions?

A Okay.

Q In the first phone call from Clarridge on Friday afternoon, what did Clarridge say needed to be done?

A He didn't say anything. He said it to me in his office.

Q He brought you up to his office?

A Yes.

Q And what did he say needed to be done?

A There was a very sensitive mission in the Middle East, and I think he said he had just come back from the White House, and he needed a 747.

Q Did he say who he had been in touch with at the White House?

A No.

Q Did he mention the National Security Council?

A I don't know.

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Q Did he say why the mission was sensitive?

A No.

Q Did he say what -- I take it he said that some cargo needed to be moved from one place to another; is that right?

A That is right.

Q Did he say what the point of origin was of the cargo?

A No, not at that time.

Q Did he say the destination at that time?

A No.

Q You just knew that either the origin or destination would involve the Middle East; is that right?

A Middle East, which meant complications.

Q But he didn't mention Iran, did he?

A Not at that time, as I recall.

Q And did he mention the fact that all of this was to be done in connection with an effort to get hostages out?

A No.

Q How long did that first conversation of Mr. Clarridge's office last?

A On Friday?

Q Yes.

A Five minutes, maybe.

Q Was anyone else present?

A I don't think so, but I don't specifically recall.

Q Did -- just so it is clear, when you start to deal with a division chief like that, do you have any requirements to check with your direct superiors before you start dealing with someone like Mr. Clarridge?

A It depends on the circumstances. There is no requirement to. If there is something firm, I probably would. I think I probably tried to get a hold of my office, but on Friday it was very nebulous. As I said, I kind of -- based on my experience, thought it would go away overnight. They usually do.

Q Did you make any efforts or did [redacted] S make any efforts that Friday to try to locate a suitable 747?

A You know, I am not sure. I think we might have made a half-hearted effort and then said, hey, they are never going to rent this to us because of insurance and all that sort of stuff, and we didn't have specifics of the mission.

You know, I can't say that specifically, because I just don't know. But it was just a passing thing.

Q But I take it that Clarridge's first question to you in that meeting was, "Find us a 747," is that right?

A That is true.

Q Did he give you the nature of the cargo in that conversation?

A No. No.

Q Did he tell you the dimensions?

A Yes, the dimensions, but where we went back and made the suggestion that we could use a 707, which is a smaller airplane, as you know.

Q Whose suggestion was that?

A To use the 747?

Q To use a 707.

A Ours -[redacted]

Q So, I take it -- did you, before going back to Clarridge with the 707 selection, find out the availability of the [redacted] plane or planes?

A I don't know the sequence, but, yes, somewhere in there we obviously checked on the availability.

Q And I take it you went back and had a second meeting with Mr. Clarridge that Friday evening; is that right?

A Either that or a phone call, I don't remember which.

Q That was to determine whether the [redacted] 707 would be adequate; is that right?

A Yes, yes.

Q What happened in that phone call?

A I don't think there was a firm decision made. There might have been, might have been.

Q Is it your recollection that that was the last thing that happened that Friday, was you suggested the 707 and went home?

A Yes. There could have been some phone calls Friday evening, but I just don't recall. The real specifics do not begin until Saturday morning. And there also could have been some pre-planning about pre-positioning the aircraft, but I can't recall that. I didn't do that personally.

Q Could you mark that as Exhibit 2?

(The document marked Exhibit No. [redacted]2 follows:)

**********COMMITTEE INSERT**********

Q [redacted] I show you what has been marked as Exhibit 2. We know from a previous deposition which we have done that that is the handwritten notes of [redacted] PO made starting that Friday on November 22.

It says that 1600 hours -- that is, I gather, 4:00 p.m. --

A 4:00 p.m.

Q [redacted] called concerning availability of bulk 707s to move high priority cargo, and there are weights and dimensions.

A That would have been the call on Friday, sure.

Q If you look further down that page, there is a time. It is hard to read, but I believe that it is 1730 to 1800, which would be 5:30 to 6:00 o'clock that evening -- finally, approval was given, and I was advised that Richard Copp would be contacting [redacted] about 2000 hours. This did happen.

What these notes seem to suggest is that a final decision was made that Friday evening to bring the [redacted] plane into it and put it in contact with Richard Copp.

Does that refresh your recollection as to whether or not more happened that Friday evening?

A I have no problems with that. That is probably the case.

Q So --

A Yes.

Q So, you believe that that is the way it transpired, then?

PO

A Well, I can't question if those are [redacted] notes -- I have no problems with that. It was either Friday night or Saturday morning, and as I said, the aircraft had to be pre-positioned, so it could well have been. I have no problems with that.

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PO

Q Did you talk to [redacted] that Friday?

A I don't think I personally did. I think it was probably S [redacted] but, again, I can't be sure about that.

PO

Q Someone apparently advised [redacted] that a Mr. Copp would be contacting [redacted] Do you know where that information came from?

A Yes, I have that right in my notes here. That came from Dewey, but I am a little confused on the time sequence here.

Q You are not sure whether it was Friday evening or Saturday morning; is that right?

A Yes, yes. I would have thought it was Saturday morning, to be honest with you.

Q But you do recall Mr. Clarridge providing the Copp name; is that right?

A Yes.

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Q And --

A I am really not sure whether Clarridge provided it or North provided it. It was one of the two. That is the reason I think it was Saturday morning. But it could have been Friday, you know.

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.2:00 p.m.

BY MR. CAROME:

Q Do you recall whether on that Friday evening there was any attempt to check whether there was DO or ADDO approval for this activity?

A I asked Clarridge.

Q I am speaking particularly of Friday evening.

A Friday evening, I don't think so. Because, understand a flight is a very nebulous thing, and these things happen all the time. They usually don't come to pass.

Q Did you know on Friday evening North was involved?

A No.

Q The first you know of that aspect of the operation?

A I knew it came out of the White House, but you have to understand Dewey. Everything is a big deal.

Q Do you recall any discussions on that Friday about how the mission was to be financed?

A No.

Q No discussion about who was to pay [redacted] to do the mission?

(Witness shaking head.)

BY MR. CAROME:

Q You are shaking your head.

A I am sorry, to the best of my knowledge, that was not discussed. It could have been. It doesn't stick in my mind.

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Q It appears that by the time Friday evening was up that a firm decision had been made to have [redacted] perform this flight.

A Well, a firm decision had been made to preposition the aircraft, if indeed those notes of PO [redacted] are correct.

MR. CAROME: Could you mark this as our next exhibit.

(The document was marked as Exhibit No [redacted]3 for Identification.)

BY MR. CAROME:

Q I am placing before you what has been marked as Exhibit 3. For the record, that is a memorandum dated November 30, 1985. We have been told that this is a report from m [redacted] to PO [redacted] on the November, 1985 flight to Iran. Have you seen that document before?

A I don't think so.

Q In the first paragraph or first section of that memorandum, it states that Copp had gotten in touch with him that evening. Did you know that evening that Copp had contacted m [redacted]

A I don't know.

Q It also states Copp told him that --

MS. MC NEIL: Excuse me. What evening?

THE WITNESS: Friday.

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MR. CAROME: That is right.

THE WITNESS: I don't know, but I have no reason to doubt this.

BY MR. CAROME:

Q It also says Copp explained that three flights had to be done government-to-government from Tel Aviv [redacted] Did you know that that was the original plan on that Friday evening?

A Well, as I said, they were originally planning to go through [redacted] this was part of -- whether I knew this Friday evening? I don't know.

Q When you say they were planning to go through [redacted] what do you mean?

A Transit for refueling purposes on their way to wherever they were going.

Q What did you know that Friday evening about what the ultimate destination was?

A I didn't know.

Q Did you know what the point of origin was?

A I don't know. I don't think so. I am not sure.

Q The final section of this part 1 of this Exhibit 3 indicates that [redacted] questioned whether the cargo that was described to him by Mr. Copp was the same as the cargo of munitions that had been described to him earlier. Were you aware that [illegible] time during that m

weekend that [redacted] had raised the question of whether this cargo was military equipment or munitions or armaments?

A I don't think I was, but it is a normal question for him to raise because he is going to have to carry it on the airplane.

Q That would be something important for him to know, right?

A Yes.

Q Isn't that something that would also be important for you to know, what the cargo would be?

A At that point in time, I really wasn't concerned about it. I presumed it was sensitive cargo, I presumed it was very high priority.

Q Is it your testimony that at the time, throughout the entire period, you never learned anything more about what the cargo was than its weight and dimensions, is that correct?

A That is correct.

Q When did you first learn that the cargo was missiles?

A I would say -- well, first of all, I would like to say I wasn't focusing on that. I was more concerned about the details of the operation of the flight and, frankly, more concerned to make sure my superiors were aware of the flight, which they were. I don't think that specifically we were ever informed of the exact nature of what was on the aircraft.

Now, at some time, you know, a couple months later, I think, people generally assumed that is what the flight was; that is because of things that happened later on.

Q What was that?

A They shipped additional, the same type of cargo at a later time.

Q It wasn't until these later shipments that there was any suggestion that it had been missiles on the November flight?

A Not that I was aware of, but I wasn't focusing on it. I am worried about a thousand things at a time. You go from one operation to another, and that is finished. You know -- your next question is probably, there was a meeting in, I think it was Mr. McMahon's office on Monday or Tuesday of the next week.

Q What do you know about that meeting?

A I wasn't present.

Q Do you know anything about that meeting?

A No, I wasn't present.

Q Had you ever been involved in an [redacted] mission involving the White House before this time?

A Not specifically. I don't think so, not that I can recall.

Q Had you ever met Mr. North before?

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A Never met him.

Q Did you know who he was?

A Heard of him.

Q You knew he was an official from the National Security Council, is that correct?

A That is right.

Q I take it this must have been a highly unusual event to have someone from the White House, NSC, at Clarridge's house working on a flight, is that right?

A I presumed it was a very important flight obviously.

Q During the time you were together with Mr. Clarridge, Mr. North and the others on that Saturday, wasn't there some discussion about what it was the flight was carrying?

A If there was, I wasn't part of it. Bear in mind I wasn't focusing on that.

Q If something was said about it in the room, you would have heard it, right?

A Probably. If I had been in the room.

Q You were in the room for a good part of that day, right?

A A good part of that day.

Q Did you talk to [redacted] PO at all on that Friday evening, the 22nd?

A I don't recall.

Q You might have, but you don't remember?

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A I might have.

Q Did you talk to PO [redacted] on Saturday?

A The primary contact on Friday was from S [redacted] to PO [redacted] and I don't think I got involved, but it is possible.

Q Did you talk to PO [redacted] on Saturday?

A Possibly Saturday night, certainly on Sunday.

Q I take it that essentially Mr. Clarridge was saying what needed to be done, and you were passing that information on, is that right?

A I was normally passing it on to S [redacted] and he was passing it on to PO [redacted] who was passing it on to the proprietary.

Q Was it unusual for you to go into the office on that Saturday morning? Would you have gone in if it were not for this operation?

A Maybe. I went in probably every second Saturday.

Q Did the subject of the plane possibly -- let me rephrase that question. Was there any discussion at all over the weekend about the plane possibly going to Tabriz rather than Tehran?

A That rings a bell.

Q What do you recall about that?

A I recall very vaguely that the original destination was discussed as Tabriz. That is, as a matter of fact, what

I thought it was ~~Sunday morning.~~

Q Can you shed any light on the decision to go to Tehran instead of Tabriz?

A No.

Q Do you recall Tabriz coming up during the Saturday discussion?

A Not specifically. But it probably did.

Q You have a recollection then, as of Sunday morning, it was your understanding the destination was to be Tabriz, is that right?

A Yes, only a recollection. But it does ring a bell.

Q Do you know who you would have gotten that information from?

A Clarridge.

Q I take it, the very notion of taking a [redacted] plane into Iran was a very surprising and unusual event. Is that right?

A I wouldn't call it surprising. I would call it out of the ordinary. [redacted]

Q Were you surprised at the time the U.S. Government would be putting a CIA proprietary plane into Iran?

A I wasn't focusing on the policy. That is one reason I was very happy that the Acting Director of Operations approved of the flight. I obviously wouldn't approve on my own.

Q I am looking at your handwritten notes from December, 1986, and I see a reference here, "Call to Poindexter by North." Can you tell me what that refers to?

A He made a call, and I can't say specifically it was Poindexter. He referred to him in terms I presumed he was. I gathered, and again I was a little bird sitting in the corner, that this was concerning getting his, his being the man I presumed but I didn't talk to him or hear his voice or anything, was Poindexter's approval for the operation, for the flight.

Q When did that call take place?

A Sometime between 10:30 and 2:00 o'clock in the afternoon on Saturday, roughly.

Q The reason you understood it to be Poindexter is North appeared to be talking to him in --

A He referred to him in some kind of nautical terms.

Q He said Admiral?

A He might have said "the old man", or something like that. Again, I can't --

Q What did North say when he was on the phone with Poindexter?

A I didn't specifically hear the conversation. Came off the phone saying "The old man goes along with it", or something like that.

Q And what was it at that point approval was being sought for, do you know?

A I presume for the flight. Nobody asked me. I am just sitting there.

Q For the flight to Iran at that point? Was it clear the flight was to go to Iran?

A It probably was at that point. I don't know the exact chronology.

Q Referring to your handwritten notes, there are several points where there is a reference to a DW.

A That is Dewey.

Q Mr. Clarridge, is that right?

A Yes.

Q And then toward the top of the page, there is a reference that says "Saturday, 10:30 to 1400, DW's office." I take it that is the timeframe that you recollect being in Dewey Clarridge's office that day, is that right?

A Correct.

Q Then a couple lines further down, it says "changed [redacted] to Tel Aviv." Do you know what that means?

A Yes. The original transiting, according to the flight, was supposed to be [redacted]

Q Do you know what the original destination point was to be?

A No.

Q You understood it was the Middle East, is that

right?

A Middle East, which would have made sense for refueling purposes.

Q Is it fair to say you thought the original plan was to fly a [redacted] plane fro[redacted] to some point in the Middle East?

A Yes.

Q Did you understand there was going to be one or two [redacted] 707s involved?

A Originally there were supposed to be two.

Q Originally they were supposed to fly from [redacted] to a point in the Middle East, is that correct?

A That is right. My understanding, that is what I thought, yes.

Q When did you get that understanding, Friday evening or Saturday morning?

A I don't know.

Q It was one or the other?

A Yes.

Q At some point, then, the destination or the origin point for the plane or planes to go to is Tel Aviv, is that right?

A That is correct.

Q So then the plan then becomes to send two [redacted] planes to Tel Aviv, is that correct?

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A Correct.

Q Did you know where they were going to go from Tel Aviv?

A Not until sometime on Saturday.

Q Before the destination changed to Tehran, did you ever learn, was [redacted] ever suggested as a possible destination?

A As a final destination?

Q Yes.

A I am not really sure. I don't think so.

Q Was there some discussion of possibly flying from Tel Aviv to [redacted] and then to a third point?

A I am not sure. That could well be. But I am just -- I just tried to reconstruct it. I remember it was switched from [redacted] because they had some sort of problems there. I don't know what they were.

Q Then your notes say, "Then learned final dest. Tehran." I take it at some point you were told not only by Clarridge that the final destination was to be Tehran, is that right?

A Right. Obviously, we had to be told, the crew had to know.

Q I take it this was a very chaotic morning?

A A very confused morning. They honestly, in my opinion, something had been cooked up pretty quickly. That

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is the impression I had.

Q Destinations are changing, is that right?

A Destinations were changing, we were called into it at the last minute, I gathered, because North couldn't come up with his own airplanes.

Q Was there any discussion about whether there had been earlier chartered air companies that were going to be involved, dropped out, and that is why [redacted] was being yanked in?

A Yes. There was discussion, indirect discussion, and they talked about -- I don't know whether that is in my notes or not. We talked about, I hate to say it, but this is just from very vague recollection, that [redacted] [redacted] or something like that.

Q What did they say about that that was the original carrier?

A I got the impression they were supposed to do the job, but for one reason or another, they couldn't. This is just reading between the lines type thing. Obviously, we were called in because nobody else could do it it appeared.

Q Did you know the number of pieces involved that needed to be moved?

A I think he gave us the number of pieces.

Q Does 80 sound like it may have been the number he gave you?

A Whatever the records state. I don't know.

Q Does 80 sound like it is in the ball park?

A I wouldn't want to guess.

Q I believe the records indicate it was 80.

A Okay. I have no reason to doubt that, I just don't know that.

Q If I could draw your attention to the top section of the first page of Exhibit 2. It says [redacted] called requesting availability of bulk 707s to meet high priority cargo." Then it says, "80 pieces".

A Fine. I have no problems with that.

Q Do you recall whether or not there was an understanding, either late Friday or early Saturday, about how many plane loads of cargo there was to be moved?

A Well, I just finished reading this, so that is the problem.

Q When you say this, you are referring to Exhibit 2?

A Yes. The notes, which I think you referred to something in there. If I recall, we positioned two aircrafts, and I think they were talking about three maybe.

Q Three plane loads?

A Yes. I could be wrong.

Q There was certainly more cargo that could be fit on one plane, is that right?

A That is the reason we were listing two planes.

Q It might have taken more than two planes?

A It might have.

Q I take it the plan was originally, once [redacted] got involved, was [redacted] would move all that cargo to wherever the White House and NSC people wanted it moved, is that right?

A Yes.

Q Who do you recall talking about -- let me rephrase that question. We have surmised from other sources the original charter company may have been a company by the name of [redacted]

A That is probably correct.

Q Who do you recall mentioning [redacted] that weekend?

A It would have been either North or Dewey.

Q If I am understanding you, you are saying they were being talked about in the context as the airline that had originally been contracted to do what [redacted] was being asked to do, is that right?

A That was my understanding.

MS. McNEIL: Let's go off the record.

(Discussion off the record.)

MR. CAROME: Let's go back on the record.

BY MR. CAROME:

Q I have mentioned to you [redacted]

Does that refresh your recollection that that was the cargo company that was mentioned during the weekend?

A Certainly a name very similar to that.

Q It was Clarridge, you recall, who mentioned a name similar to that?

A I would think it was either Clarridge or North, but I can't say specifically.

MR. WOODCOCK: You recall it was one or the other?

THE WITNESS: It had to be one or the other.

MR. WOODCOCK: It wasn't Charles Allen?

THE WITNESS: That would be remote.

BY MR. CAROME:

Q Do you specifically recall them saying this other company had been set up to do it and it fell through?

A Not in specific words, but the context was that way, yes.

Q Do you know when it was they had fallen through? Was it just recently they had dropped off?

A I would judge very recently, but that is pure speculation.

Q I take it what you would judge that from is the fact that [redacted] an[redacted] was being called in at the last minute, is that correct?

A Yes.

Q During that time, did North or Clarridge or anyone else say anything about efforts to get air traffic rights [redacted]

A It was discussed, they had a problem.

Q What was said on that subject?

A Specifically, I don't recall. I wasn't part of it. The original plan had been to use [redacted] and they couldn't use [redacted] I think I read long after the fact [redacted] wouldn't let them. This was long after it happened. This is the problem reading newspapers and everything else.

Q At the time, were you aware Clarridge was making efforts to get clearances [redacted]?

A Probably. I don't specifically recall, but probably, yes.

Q Were you aware he was in touch with [redacted]

A No. Only [redacted] the only one I recall.

Q Do you remember any cables being drafted or prepared on that Saturday to go out to anyone connected with this operation?

A Cables being drafted, I didn't -- I don't know.

Q I take it you were in fairly close touch with [redacted] S [redacted] during the day Saturday, is that right?

A Yes.

Q Making phone calls from the office down to S [redacted]

A Yes.

Q Did you make phone calls to anyone else from Clarridge's office?

A Not that I can think of.

Q Perhaps to PO [redacted] I take it you may have called him?

A I wouldn't have called PO [redacted] directly. I don't think so. It is possible.

Q Were other people on the phone other than, I believe, you testified about a phone call from North to a person who seemed to be Poindexter, and were there any other phone calls other than that you recall being made during the day?

A The phone was ringing all day. That is the only specific one I recall, the one [redacted] and the one that appeared to be from North to his boss, his superior. There were all sorts of phone calls.

Q Can you tell us who else might have called that day?

A I don't know.

Q Was Clarridge on the phone with anyone that day?

A Certainly.

Q Do you know who he was speaking to?

A No.

Q As of that Saturday, were you aware of who this Mr. Copp was? Did you know it was Richard Secord?

A No, no.

Q Was Copp's name used during Saturday meetings?

A Yes, it was.

Q Who was he described as being?

A An Israeli.

Q He was described as an Israeli?

A That was my understanding. I have learned that from the newspapers a year later. And at that time I didn't know it, as a matter of fact.

Q What you are saying, as of the time you wrote these handwritten notes we have been referring to, which I guess you wrote in December, 1986, you didn't know Copp was Secord, is that correct?

A I did not.

Q [redacted] there is a reference here in your handwritten notes, I believe it says "Took U.S. registered aircraft off mission."

A Yes.

Q Could you tell me what that refers to and what it means?

A Yes. We had two aircraft in Tel Aviv. One was a foreign registered aircraft, and the other was a United States registered aircraft. We decided it was better, once we learned the destination, not to use the U.S. registered aircraft.

Q Who decided that?

A I would say consensus.

Q Consensus among you, North, Clarridge?

A No, more from [redacted] PO and [redacted] S and myself and Clarridge.

Q Clarridge concurred in that decision, is that right?

A I am sure he did, yes.

Q Did North weigh in on that decision?

A I don't recall.

Q Why didn't you want to take the U.S. plane to Tehran?

A It didn't seem like a good idea if you had a foreign registered aircraft.

Q I guess at that point it wasn't clear whether it was going to Tabriz or Tehran, is that right?

A I presume not. I don't know when that changed.

Q Why specifically did you think it was better not to take the U.S. registered plane to Iran?

A Iran is not our ally.

Q You thought that would present some danger to the plane and crew, is that right?

A It is like waving a red flag in front of a bull is all I can say. It is common sense.

Q I am reading again from your handwritten notes. There are two lines. One says, "Again asked if AADO checked

Dewey, yes", then below it says, "Also asked again, phone Saturday night."

A Yes.

Q What does that refer to?

A I asked him on Saturday if the Acting Director of Operations was aware, and he said yes. Having survived [redacted] in the Central Intelligence Agency, I asked him again Saturday night, because believe me you want to be sure the people in real authority are aware, and I was satisfied, thank goodness.

Q It was extremely important to you, I take it, there be higher approval, is that right?

A Very. I am a responsible person, and you don't commit our resources on something like this without having our approval.

Q Did you not trust Clarridge when he told you the first time and that is why you asked a second time?

A I wanted to be very sure. And these notes, I emphasize that.

Q Yes. Again, referring to your handwritten notes, there is an entry that appears to say, "Talk about Copp proprietary contact in Tel Aviv." Did you understand this Mr. Copp was located in Tel Aviv?

A Yes. The agreement that Dewey made with North was that he would posture the proprietary as a commercial company we had gone out and chartered trying to protect the integrity of the proprietary. So the proprietary was to deal with Copp strictly as a business proposition.

Q And attempt to prevent Copp of learning of the CIA background of [redacted], is that right?

A Exactly.

Q Was there any indication that Mr. Copp was personally known by North?

A Well, yes. I think he kept referring to Copp, and I gathered he was a contact of North's in Europe.

Q There is an entry here a little bit further down the page in your handwritten notes. It makes mention of, it looks like Swimmer. What does that refer to?

A That is another name that came up quite frequently, sort of in the same context as Copp. They kept saying "Get a hold of Swimmer", and Swimmer was some guy in Europe.

Q Do you understand that --

A I thought in Europe.

Q Was it your understanding at the time that Clarridge and North were in telephone contact with either Copp or Swimmer? Were there any phone calls placed from Clarridge's office to those individuals?

A I think there might have been efforts, but I can't say that for sure.

Q What makes you think there might have been?

A It seems logical.

Q They would have made such phone calls?

A Yes. There was obviously one heck of a lot of confusion, and I would have thought they would have probably tried to reach them, but I didn't hear any specific conversations.

Q It appears from other records that by 6:30 a.m., Washington time on Saturday, the first [redacted] plane had already taken off [redacted] bound for Tel Aviv. Does that conform to your recollection of where things were going at that point?

A Roughly.

Q Was there any reference at all on that Saturday or around that same time to possible use of [redacted] [redacted] in any part of this operation?

A Not to my knowledge.

Q You have no recollection of that?

A No.

Q Any recollection of possible use of DC-8 aircraft at any point in this operation?

A Yes.

Q What do you recall about that?

A It had to do with [redacted] we were talking about.

Q You understood that [redacted] was going

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to use DC-8s?

A That is my recollection.

Q Did you understand by the time [redacted] was involved [redacted] was no longer contemplated for use in any part of the mission?

A My presumption was they fell through, no one, I don't think, specifically said that.

Q At the point [redacted] was suggested as a transiting point, did you then understand what was going to happen was a plane was going to fly from Tel Aviv [redacted] to Iran?

A I can't tell you the chronology. Sorry.

MR. WOODCOCK: Do you recall [redacted] as being referred to as a possible transit point?

THE WITNESS: Possibly [redacted]

BY MR. CAROME:

Q Do you recall any discussion about a plane that had been chartered to carry the cargo from Tel Aviv [redacted]

A Not specifically, but it sort of makes sense when you reconstruct it. I think the idea probably was to cut Tel Aviv out of the operation.

Q To attemtp to -- what you are saying is to insert another location in between and try to --

A This is all very vague in the back of my mind. I think this is the way I mentioned the last time I testified,

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and that was several months ago.

Q What you are saying, so the record is clear, is that there was an effort being made to disguise the fact that cargo was moving from Israel to Iran, is that right, and you would disguise that by inserting an intermediate destination and using different planes, is that right?

A That is a supposition on my part.

BY MR. WOODCOCK:

Q Do you recall at any point on Saturday discussion about a plane actually taking off from Israel and approaching a go or no-go point?

A No, I don't recall that. Lots of things could have been discussed. There was a wild group up there, believe me, and not very professional.

BY MR. CAROME:

Q Why do you say that?

A Obviously it was being thrown together at the last minute.

Q You say it was a wild group. What was wild about what was going on?

A They were trying to throw together what appeared to be a relatively complex operation without having done their homework, it was my personal impression.

MR. CAROME: Could you mark this as the next exhibit please.

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(Exhibit No. [redacted] 4 was marked for identification.)

BY MR. CAROME:

Q I am about to show you what has been marked as Exhibit 4. For the record, it is a cable dated November 23, 1985, that is Saturday. The time of the cable, time of transmission, appears to be [redacted] zulu time. I guess that would be sometime [redacted] Washington time.

It is a cable, appears to be to [redacted] [redacted] from Clarridge. It refers to, in paragraph 2, and I quote, "A total of five sorties are required for this operation." I ask you to look at that cable and ask you if it helps you remember the nature of the discussions going on that Saturday.

A It certainly ties in with this phone conversation.

Q Do you recall the number of five sorties being discussed?

A I don't specifically recall it, but I don't question it.

Q Were you informed when the [redacted] plane arrived in Tel Aviv?

A I think probably PO [redacted] would have informed either me or S [redacted].

Q By telephone, I take it. Is that right?

A Yes.

Q Why --

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A I am not sure, but it probably would have been.

Q What do you recall learning about how the plane was received in Tehran?

A My recollection is there was a lot of confusion.

Q What were you told about that?

A Well, I got it third hand, but the proprietary was unhappy, there seemed to be a lot of people running around unclear who was in charge, if I recall, they were having problems with money to buy fuel for the aircraft.

Q So the record is clear, we are talking about the arrival in Tel Aviv, is that right?

A That is what you said. Yes.

Q Okay.

A I would have heard that -- it would have been third or fourth hand by the time it got to me. My understanding is that it was poorly organized.

Q And you either heard that directly from PO [redacted] or from S [redacted] who would have talked to PO [redacted] is that right?

A That is correct.

Q I may have asked you this before, but I am going to ask you again. Do you have any idea why the destination would have changed from Tabriz to Tehran?

A No.

Q No discussions on that subject at all as far as you can recall?

A None that I recall. That, to me, would have been immaterial really. It would have flown right by me, in other words.

Q Do you recall hearing that the people on the ground in Tel Aviv that the crew was dealing with were reluctant to have this second [redacted] plane pulled out of the operation?

A I don't recall that, but it is possible.

Q I believe that Exhibit 3 refers to efforts to repaint the plane or to fly formation in order to be able to use the U.S.-registered plane. Do you have any recollection of those discussions coming up at the time?

A No. But they could have very easily.

Q Whose decision was it to take the plane into [redacted]s a stopping point?

A Actually the suggestion was made by the head of the proprietary. m

Q [redacted]

A Yes. Because he had used [redacted] for refueling purposes, you know, going through Europe before, and he felt there wouldn't be any problems there.

Q Was there any concern [redacted]

A If I recall, I don't think Dewey was loaded with enthusiasm at the suggestion.

[redacted]

Q I take it that you relayed the suggestion that had originated with m [redacted] to North and Clarridge, is that correct?

A Yes. I must have. It probably came from [redacted] PO [redacted] directly to me and S [redacted] and then to Dewey.

Q Clarridge thought it was a bad idea?

A He didn't think it was a bad idea. He just wasn't -- no, he didn't think it was a bad idea. If he had had another choice, I think he would have preferred to use another place. Obviously, it appears his other options were no longer there.

Q Do you recall on that Saturday that there was an effort being made to obtain over-flight rights [redacted]

A Yes. I don't recall the specifics of it, but there was a definite effort, and we did receive them.

Q How did you learn they were received?

A I presume from Mr. Clarridge.

Q Who did you understand Mr. Clarridge was in touch with on the subject of over-flight rights?

A I don't know. It probably would have been [redacted] [redacted].

Q Do you recall that he was sending out cables on the subject [redacted]

A I don't recall. I wouldn't be at all surprised, thought.

Q Am I to understand from your testimony that over that entire weekend, you neither saw ingoing nor outgoing cables?

A I saw a couple of cables that essentially transmitted the flight plan of the aircraft that was going from wherever it was going from, saying it was going to be here at such and such a time, Iran at such and such a time. I presume it probably would have gone to [redacted] since it was over-flying [redacted]

Q Do you recall seeing any cables that had originated in [redacted]

A No.

Q Do you recall --

A [redacted] was out of the picture.

Q By the time you saw cables, is that what you are saying?

A I didn't see cables. I saw a couple of cables concerning operational times of departures and arrivals and that sort of business.

Q Who did you understand those cables had been originated from?

A Which cables?

Q The cables that you saw.

A Those cables came from our headquarters.

Q Who were they going to?

A I presume they probably went [redacted]

Q Any place else?

A Possibly [redacted] That is just because it would be quite logical.

Q Who [redacted] do you recall cables going to?

A There is only one place they could go, and that is [redacted]

Q Do you have any recollection as to whether or not [redacted] was involved in this matter?

A To my recollection, and again it is a recollection, is that [redacted] was not directly involved.

Q Do you recall whether it was indirectly involved?

A I don't know.

MR. CAROME: Would you mark this as the next exhibit.

(Exhibit No. [redacted]5 was marked for identification.)

BY MR. CAROME:

Q I show you what has been marked by the reporter as Exhibit 5 to the deposition. For the record, I will say it is headed "Spot Report", dated November 25, 1985, subject: NSC requirement for covert airlift. Have you ever seen that document before?

A I probably have. I might have even written it on Monday morning.

Q Do you know whether or not the classification numbe down at the bottom right-hand corner is your number?

A I remember, yes, it is.

Q That would, therefore, suggest it was most likely you who prepared this document, is that right?

A Well, as the chief, your classification number goes -- yes, I probably -- I certainly signed it or saw it.

Q Do you know when this Exhibit 5 would have been prepared? I gather from the date, it was probably prepared November 25.

A It says November 25.

Q Do you have a recollection of preparing this document?

A I would presume someone in the Branch wrote it, and I probably initialed it, if I were there. I was in the office on 25 November.

Q Also a date at the bottom, it says 29 November 1985. I am not sure why there would be a different date at the bottom. Do you have any idea why there would be a second date at the bottom?

A I have no idea, so -- that would normally be -- that is the office, that is the person who wrote it, and that is the date -- why that has 25 up there, I don't know. Who knows? People are inexact.

MR. WOODCOCK: Just so the record is clear, when you say that is the office, that is the person who wrote it, would you point out what it was you were pointing to?

THE WITNESS: I presume that is the person's name crossed out.

MR. WOODCOCK: Just identify that. We have to have a reference in the record to the document so the person reading the record can understand it. Just describe what you are pointing to.

THE WITNESS: I am describing after the office designation, the blacked-out portion would be the originator of this spot report.

MR. WOODCOCK: That is from [redacted] is that right?

THE WITNESS: That is right.

MR. CAROME: Off the record.

(Discussion off the record.)

MR. CAROME: If we can go back on the record.

BY MR. CAROME:

Q Do you recall why this document was prepared?

A Yes. [illegible] flights of an unusual nature or events or [illegible] a spot report is written to inform people way up the line.

Q And do you recall whether or not this document was written that Monday morning?

A I couldn't say.

Q Do you recall who it was prepared for?

A A spot report would go up the chain of command, it would go up to my boss, and he would send it up to the people who he think it would be appropriate. It could go all the way up to the very top, it depends.

Q Do you know who this document was shown to?

A No idea. Once it leaves my office, it is not in my hands.

BY MR. WOODCOCK:

Q Your immediate superior was [redacted]?

A It would have been [redacted] or in his absence, [redacted]

BY MR. CAROME:

Q I want to talk to you a little bit about what happened on that Monday with respect to this flight that Monday morning, I guess we are talking about November 25, did you speak to [redacted] about the weekend's activities?

A Yes, I told [redacted] that, yes.

Q What did you tell him?

A Essentially what happened

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Q What did you tell him about the nature of the cargo that had been moved?

A I have no idea.

Q Did you tell him the dimensions, weight?

A Not that I remember. I don't think so. There wouldn't have been any reason to normally.

Q Did you learn at any point that the loading of the aircraft in Tel Aviv was occurring at a hot cargo area?

A I don't specifically, a hot cargo area, I don't think I was told of that. It is possible. It wouldn't have surprised me.

Q Did you suspect it was weapons that were being carried on the plane?

A I didn't really focus on it. It would not have surprised me.

Q It would not have?

A No.

Q Although, of course, the idea of the United States shipping weapons to Iran, I gather, to the American public would have been a surprising notion, it would not have surprised you, is that right?

A You have to presume on a flight like this, they are not taking ping-pong balls or something. I just don't know. I can only presume the people in authority are aware of what is goi[illegible]

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Q When did you first have a conversation with [redacted] about this flight?

A Probably Monday morning.

PO

Q Did you ask [redacted] to come [redacted]?

A I don't recall.

Q Do you recall thathe did come up Monday?

A I don't recall that.

Q He testified to us last week in a deposition just like this that he had been asked to come up during the weekend, he came up probably around 10:30 that Monday morning, do you recall?

A I don't recall it, but I am sure that is right if that is the case. He was up all the time. Any time we had anything unusual, he would come.

Q This was certainly an unusual event, is that right?

A Correct.

Q Did you speak to [redacted] that day?

A Monday?

Q Monday.

A I don't recall. Probably.

Q Did you speak to him about this flight Monday?

A If I spoke to him, I am sure it came up. He was aware of it. He would have seen the spot report also.

Q Did [illegible] North and Clarridge

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on Saturday that they at least were aware of what the cargo was? Did you assume they probably were aware?

A I assumed they probably were obviously, yes. But that is just an assumption again.

Q They basically both seemed to be fairly familiar with what it was that needed to be done, is that right?

A North certainly, yes.

Q What about Clarridge?

A Clarridge was basically acting at North's direction

Q Had you ever seen North and Clarridge before together at that time?

A Never met North before or after.

Q On that Monday, November 25, were you aware that this spot report had worked its way up to John McMahon?

A I am not sure I was aware on Monday, but I was certainly aware the next day.

Q What made you aware the next day?

A McMahon called a meeting on either Monday or Tuesday, and I happened to be out of the office, otherwise I would have went. And I heard through a third party that he wasn't happy, he was unhappy.

Q Who did you hear that from?

A I don't know. It could have been [redacted] it could have been [redacted] it could have been [redacted] whom I think atte[illegible]

Q Who did you understand met?

A McMahon, I think, called the meeting, and I think there was someone from [redacted] actually there, and probably either [redacted] or [redacted]

Q That could have happened that Monday or the following Tuesday?

A It happened sometime very soon after, yes, I think. It could have been a week later, for that matter, but I don't think it was.

Q I am going to let you look at a memorandum -- actually, I guess I will have it marked as an exhibit if you will excuse the yellow markings on it, which are mine.

(Exhibit No. [redacted]6 was marked for identification.)

BY MR. CAROME:

Q I show you what has been marked as Exhibit 6. Again, I will state the yellow highlighting is mine. For the record, it is a December 7, 1985 memorandum, for the record, signed by John McMahon. In paragraph 2, it states "On Monday, the 25th of November, while visiting the office of the DDO, [redacted] was present and had given Claire George a spot report on a flight that [redacted] had made in support of the NSC mission. I went through the overhead pointing out there was no way we could become involved in any implementation of this mission without a finding." Is that the essence of what you heard about a meeting having occurred on Monday or Tuesday of that week?

A I had heard that McMahon was unhappy.

Q He was specifically unhappy with [redacted] involvement in the flight?

A I heard he was unhappy about the whole operation. Specifics I didn't get involved with.

Q Who told you he was unhappy? I may have asked you that before. Do you have a recollection of who told you McMahon was unhappy?

A It could have been anyone attending that meeting. I don't specifically recall, and I will tell you one thing, a past operation is a past operation, and I wasn't worried about that. I was worried about other things.

Q The spot report that is Exhibit 5, in the last line, states that more flights are expected this week. Did you know what was expected to happen next after this first flight?

A Well, as we discussed, there was supposed to be more than one flight.

Q As we know, only one flight took place?

A Only one took place.

Q Do you know when the decision was made there would not be a second or any additional flights?

A I would have presumed it would have been after

McMahon spoke his displeasure.

Q Do you know that to be a fact?

A I do not.

Q Were you involved in any decision that Monday to stop additional flights?

A I think we were told either on Monday or Tuesday there were to be no more flights. I would have passed the decision on down the line.

Q Who told you that?

A I don't recall.

Q You recall either on Monday or Tuesday the word came there should be no more flights?

A Correct.

Q At the time the word came, did you associate that with Mr. McMahon's displeasure with the operation? Did you learn the two at approximately the same time?

A I think I probably associated it with that, yes. My recollection.

Q Whose decision would it be -- withdraw that question.

Can you be more specific about whether or not it was sometime Monday as opposed to sometime Tuesday the decision was made to not go forward?

A I am very hesitant to, because I just don't know.

Q Do you recall [illegible] the plane was originally planned to do -- let me rephrase that question. What was the original plan for where the plane was to go after Tehran?

A I don't recall, but that is a matter of record.

Q If I told you that the plan was for it to stop and wait [redacted] would that refresh your recollection as to what the plan was?

A It is possible.

Q You don't know one way or the other, is that right?

A I probably knew at the time. It is one of those things. It doesn't ring a strong bell, let's put it that way.

Q Did you see any cables that Monday concerning the flight?

A I don't think I did.

MR. CAROME: Could you mark those as the next two exhibits.

(Exhibit Nos. 7 and 8 were marked for identification.)

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MR. CAROME: Back on the record.

BY MR. CAROME:

Q Under normal circumstances, how does a cable get to you?

A It comes down through the cable secretariat to the distribution center of our division, and someone picks it up and hand-carries it down.

Q If your address is on the cable, does someone screen it first before it comes to you?

A Sometimes; sometimes I would see it directly.

Q So is what you are saying, you only see some of the cables that are addressed to you?

A I would generally see all of them. Very routine things I would review very quickly.

Q I take it any cable relating to this mission we are talking about would not be a routine cable; is that right?

A We did not have any cables, to my knowledge, relating to this.

Q Let me show you what has been marked by the reporter as Exhibit 7, and ask you to take a look at that document.

For the record, it is a cable dated, November 25, 1985; time of receipt, [redacted] Zulu time.

I take [illegible] some time around [redacted] that morning?

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A Right.

Q At the top of the cable there is a line, about the third line of printing on the cable, that says, "Van's notified," I take it, that refers to Mr. Clarridge, and then an entry that says, [redacted] Zulu time, eyes only."

I have assumed this cable was addressed to you? Do you recall receiving this cable, seeing that cable on that Monday?

A This is on Monday?

Q That is correct.

A Well, in the first place, this is a privacy channel used by the chief of our operation.

Q How can you tell that?

A By this.

Q What are you referring to, the [redacted] reference?

A Yes.

Q That is Clarridge?

A Yes.

Q How do you explain the reference at the top?

A I was working with Dewey over the weekend and they probably had my name as someone to contact, and I might have seen this, or I might not have seen it.

If it were Monday morning, it would have gone

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directly to Dewey, but they might have called me in, early in the morning, or something like that; I don't specifically recall it.

Q You have no recollection of previously seeing this cable?

A I could have seen it. It seems to me it is sort of nuts and bolts.

Q Did you speak to Clarridge at all on that Monday?

A Once, by telephone.

Q When was that phone call?

A No; wait a minute. I saw him early in his office, early Monday morning.

Q About what time?

A About 7:30.

MS. McNEIL: Can we establish who that is from?

THE WITNESS: [redacted]

MR. WOODCOCK

BY MR. CAROME:

Q You are saying you had met with Mr. Clarridge early that Monday morning. What was that meeting about?

A We were talking about the flight, what was happening with the flight, and then I spoke to Mr. Clarridge some time Monday or Tuesday. I forget for what reason. It was just sort of -- nothing specific was discussed.

Q I take it from your discussions over the weekend and from this spot report, talking about more flights are expected this week, you must have, on that Monday morning, been talking about when the next flights were taking place and planning for that; is that right?

A It could well be. We probably, we are talking about what the status of the crew flight was, because at that point in time, the crew flight wasn't back [redacted]

Q This cable which has been marked as Exhibit 7, contains in its paragraph 2 a report that the pilot told ground controllers, I take it that is [redacted] he was carrying military equipment.

Do you recall learning that on that Monday morning?

A No, I don't.

Q Do you recall discussing the possibility military equipment was on the plane with Clarridge that day?

A No. To me it would have been totally immaterial.

Q Why is that?

A I was concerned with the mechanics of the flight.

Q But you have a firm recollection---

A No, I don't have a firm recollection of this cable.

Q You may have received it or you may not have; is that right?

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A Yes, yes.

Q Do you know if thi[redacted] here at the top refers to you?

A I am sure it does.

MS. McNEIL: Can we go off the record a munite?

(Discussion off the record.)

MR. CAROME: Let's go back on the record.

BY MR. CAROME:

A Back on the record.

I take it it is your understanding the only copy of this cable would have gone to Mr. Clarridge; is that right?

A It could have gone above Mr. Clarridge, but it would have been highly unusual for a privacy channel -- it would have been given extremely limited distribution.

Q From your understanding of how the privacy Channel works, the fact your name is referred to on the cable as a person to be notified, does not mean that a separate copy would have been prepared for you; is that right?

A It wouldn't have been prepared for me. But if Dewey were not at home, the communicator was instructed to call me at home concerning estimated time of arrival and departure. So he had me down as a secondary type of back up for Clarridge.

Q Who was the communicator?

A I have no idea.

Q What you are saying is that sometime on Saturday or Sunday, you were designated as a person to get in touch with about key information about the flights to Tehran?

A Key information concerning operations of the landing permits, overflight permits, et cetera.

Q Did you get any such calls at home?

A I think I probably got one or two concerning ETAs.

Q Estimated Time of Arrival, is that right?

A Yes.

Q You can't tell us whether or not you saw this cable or not; is that right?

A I have no idea. I don't see my initials on it. That doesn't necessarily mean anything.

Q I show you what has been marked as Exhibit 8. It is another cable, this time a cable from headquarters [redacted] dated, November 25, 1985, [redacted] Zulu time, I take it that would be some time around [redacted] Zulu time? Am I correct that between the time of the first cable that we have looked at, and the second-cable, you recall in that time frame having met with Mr. Clarridge; is that right.

A I saw Mr. Clarridge very briefly early Monday morning, yes.

Q Directing your attention to Exhibit 8 and paragraph 3, this is a cable that appears to have been sent out by Mr. Clarridge [redacted] "It seems equipment on board is indeed spares for the oil industries, but that is not to say it may not also have some specialized medical equipment or supplies mixed in with it. I simply cannot understand why the pilot told ground controllers he was carrying military equipment, but perhaps that is what he thought he was transporting."

My first question is: Do you recall that there was any discussion about describing the cargo as oil equipment?

A No. That came, as far as I know, afterwards, but I don't recall it.

Q When you say "that came afterwards," what are you referring to?

A Basically, later in the week. I wasn't specifically involved that.

Q What do you understand was said about oil equipment later in the week?

A I heard after the fact, and I am talking almost a year after the fact, that Mr. McMahon had been briefed -- this was in the newspapers -- oil drilling equipment; that was never discussed with me.

Q You haver heard the subject of oil drilling equipment that weekend or Monday?

A No.

Q Do you recall having seen this cable?

A I specifically would way I have not seen this cable.

Q You are sure about not seeing this cable, the previous one, Exhibit 7?

A This one I can say with a fair amount of assurance.

Q Why are you more sure about Exhibit 8?

A Because I was out of the picture when this was going on.

Q Why were you going out of the picture by then? It seems there were additional flights being planned. Weren't you concerned at that time about the additional flights?

A Yes, but I just don't think I would have seen this.

Q Were you out of the picture?

A Not out of the picture but, you know, it was now Monday morning and the building was full of people, and I just, I would have been concerned of the mechanics of the flight, and this is not, you know, mechanics in my sense of mechanics of the flight.

Q You recall on that Monday morning there was plans of additional flights by [redacted] is that right?

A As of that Monday morning my recollection is yes.

PO

Q [redacted] told us he arrived at headquarters around 10:30 that morning. Do you have a recollection of that?

A No.

PO

Q Do you recall talking to [redacted] that Monday?

A Not specifically. I am sure I did.

Q Why are you sure you did?

A He was in the building and I was in the building, he works for me, I would have talked to him.

Q You probably would have talked about this flight operation?

A Certainly, certainly.

PO

Q Do you recall whether [redacted] passed along to you any information about what the [redacted] crews thought they were carrying?

A I don't specifically recall that. I recall he passed on the cargo was extremely bulky and very difficult to load.

PO

Q [redacted] told us last week in his deposition that he specifically recalled telling you that Monday that the pilots had concluded that the cargo was missiles; do you recall him telling you that?

A I don't specifically recall it, but he might have very well.

Q Isn't that something that would have stuck out in your mind if it happened?

A Not really. I would have expected it to be an unusual type cargo.

Q By unusual that might mean weapons; is that right?

A Yes.

Q You thought that it was quite possible there were weapons aboard; is that right?

A Weapons, I thought that was a possibility of course.

Q Did you have any other alternatives what might be aboard other than weapons?

A It could have been any number of things. It could have been, you know, it can't -- I don't want to speculate.

Q Weapons is one thing that came to mind; is that right?

A Weapons didn't specifically come to mind, but it would certainly be a logical possibility. You have to assume there is a reason they are running a flight like this.

Q But you don't recall that PO [redacted] told you that; is that right?

A I don't recall it, but if the man says he did, I am sure he did.

Q If PO [redacted] something like that,

would you have passed that along to Mr. Clarridge?

A Probably.

Q Why do you say that?

A I can't say because I didn't, you know, I just don't -- you are trying to piece something together that is a past action.

Q It is likely you would have passed on a piece of information like that; is that correct?

A More than likely, but I can't say that for sure. A lot depends on context and all sorts of things, speculation and, you know---

[redacted]

Q And I take it that it would be one of [redacted] functions to report back to headquarters about the nature of any cargos that it shipped, particularly if it was arms; is that right?

A We would hope they would, yes.

Q That would be the kind of information that would normally be passed on up the line at the agency [redacted] [redacted] is that right?

A That is [illegible]

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Q And that in part is the reason you would have passed that kind of information along to Mr. Clarridge, if PC [redacted] had told you the crew had understood that they were carrying cargo; is that right?

A No. Because in this case it is a U.S. Government flight, and the United States doesn't spy on the United States.

MR. WOODCOCK: In other words, you assume Clarridge knew?

THE WITNESS: Of course. That is just an assumption. I am not reporting on what a third country is doing. I am reporting on what the White House is doing, being in a spot themselves.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q You testified earlier that North was the one who appeared to be the most knowledgeable on Saturday; is that right?

A It is my impression.

Q You understand this was a White House flight as a result; is that right?

A Yes.

Q Did you understand Clarridge had as much information as North?

A I don[illegible] know specifically.

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Q Did you reach a conclusion on that Saturday as to whether Clarridge knew what was in the airplane?

A I can't answer that because I just don't know. I didn't even focus on that. It just wasn't---

Q How about by Monday, had you made a determination in your own mind as to whether Clarridge knew what was in the airplane as opposed to what North might have known?

A I presume Clarridge knew what was in the airplane because he was briefing his superiors on the flight.

Q But did you know that he had the same quality of information that North had?

A I had no way of knowing.

Q Would it have been a prudent thing to take the information PO [redacted] gave you to Clarridge to make sure that Mr. Clarridge had that information?

A In retrospect, if it had registered, perhaps, but it is just -- it just wasn't the circumstance.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q You don't specifically recall whether or not you passed that on to Mr. Clarridge; is that right? You don't specificially recall whether or not PO [redacted] made this report to you about what the crew was carrying; is that right?

A That is [illegible] I [illegible] it, I just don't don't know. I would have presumed, and again this is speculation, I would have presumed Dewey would have been aware of what was on the aircraft.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q Let me ask the question differently.

PO

If on Monday [redacted] came to you and said there were missiles on the aircraft and you believed that perhaps Colonel North knew that, but that perhaps Mr. Clarridge didn't know that, would you have taken that information to Mr. Clarridge?

A Yes, I would have underthose circumstances, but that never even -- that was a nuts -- that was a lot of supposition.

Q I understand that. But your earlier statement was it was an United States Government flight and the United States doesn't spy on the United States.

A Right.

Q However, if you understood this to be an NSC sponsored flight, but your superiors at CIA did not know what the quality of the cargo was, but NSC did, you would have brought that to your superiors; is that right?

A If I thought we were being intentionally mislead, of course I would.

Q If you thought they just didn't know irrespective of whether they were being mislead or not?

A If I thought that, I presume I would have. I would today, I presume I would have then. It didn't happen that way.

Q If you didn't do that you were assuming Clarridge knew that the cargo was; is that right?

A No, I didn't focus on it. It wasn't a thing I was focusing on. It didn't ring a bell or set anything off.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q You aren't certain whether or not you told Clarridge; is that right?

A What about -- I am sure that -- I don't have a recollection of PO [redacted] conversation, but I am not saying I am sure he said it was the case, but I am saying -- I also don't have a recollection of Dewey.

Q I believe you said before if PO [redacted] told you that that is the kind of thing he probably would have passed on.

MS. McNEIL: This entire exchange has been pure speculation.

MR. CAROME: I understand.

MS. McNEIL: He is saying he doesn't remember.

MR. WOODCOCK: Excuse me, the conversation is not speculation. [illegible] attempt to construct

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what his habit of reporting is.

MS. McNEIL: He has already testified to that.

MR. WOODCOCK: He hasn't testified to it in part.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q I take it,based on the way you usually operate, if [redacted] DO gave you that kind of information that is the kind of information you would normally pass along to Mr. Clarridge in that situation; is that right?

A If I thought they were something out of the ordinary.

Q And the fact that weapons might have been on that plane is the kind of thing that is out of the ordinary; is that right?

A No. I would have thought something of that nature would have been on that plane. My presumption is that Mr. Clarridge would be aware of what was on that plane.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q Did he give you any reason to believe that?

A He didn't give me any reason one way or the other. This was after the fact.

Q Only partially after the fact? Is that right?

A Yes.

Q More [illegible] that right?

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A I would have to get the timing. More flights didn't happen, that is for sure.

Q Doesn't the spot report indicate more flights were planned?

A Yes.

Q Would you want to have been satisfied as to the nature of that cargo as well?

A I would -- again, this is pure speculation, but I would say if more flights were actually going to take place, I think I probably would have been more aware of this or more focusing on the cargo.

By that afternoon, I believe, or certainly the next day, it was a dead issue. In my mind by Monday was on a thousand different things, I can assure you.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q Are you aware tha m [redacted] instructed the crew on the gound in Tehran to make sure they got a full tank of fuel so that they could have all options open about taking the plane back [redacted] or not?

A I don't recall that specifically. I would say that is -- knowin m [redacted] that is very possible. I would have heard it fourth-hand by the time it got back to me.

Q Were you aware that a decision was made while the [redacted] plane was returnin [illegible] an, about whether or not to take it to some location [redacted] or some place not too far from Israel, or instead take it back [redacted]

A You mentioned that earlier about [redacted]

Q I am not specifically asking about the destination, I am asking were you aware at the time that a decision was made while the plane was in the air, to pull it out of the operation and take it back [redacted]

A [redacted] I don't recall any specifics, but again, you are trying to pull things out of me which are many, many, many light years in the past.

Q I guess what I am asking is were you aware of any decision made either by PO [redacted] or m [redacted], to take [redacted] out of the further flights?

A No. They wouldn't make a unilaterial decision such as that.

Q That would only come from [redacted]

A It would come from above [redacted]

Q Is it your understanding that the first time---

A They might have well discussed something like that.

Q All right. Is it your understanding that there was no direction to pull [redacted] out until after Mr. McMahon had learned about the flight activity?

A I am hesitant to answer that because there might have been, not knowing the time of the meeting -- certainly what McMahon said, that it would be the sort of final straw. I think there was a reaction from Clarridge, a very negative action also, which could have been before that.

Q In your discussion that morning with Clarridge, I take it you spoke to him twice?

A Once on the telephone and once on the telephone saying, how did everything go type thing.

Q Did Clarridge,in either one of those conversations, give you any indication the National Security Council or the White House wanted there to be no further flights?

A By the second conversation I had with Dewey by telephone, and this was either Monday -- I would like to correct one thing. The phone conversation could very well have been on Tuesday.

Q Pardon?

A I think I talked to him on Monday, but it could well have been Tuesday. By the time I had the phone conversation it was clear there were to be no more flights.

Q What I am trying to do is find out where the impetus was coming from for the decision there be no more flights. One possibility is it came from PO [redacted] and m [redacted] another is it---

A No.

Q You don't think it is [illegible] right?

A They don't have the authority to say there would be no more flights. It would have come from above. It would have come from either the director of operations or Mr. McMahon.

Q You think it probably did not come from Mr. Clarridge or the White House?

A No, I can't say that. The White House obviously could have said we don't want any more flights.

Q You didn't hear anything about that?

A No.

Q Mr. Clarridge never gave you any indication it was the White House that wanted [redacted] out?

A Not that I recall. But, please, you know, it is just---

Q I understand.

A By the time I talked to Dewey on the telephone, it was all over.

Q That could have been either Monday or some time Tuesday?

A Yes. I think it was Monday.

Q If it was Monday, do you think it was late in the day, early in the day?

A I can't guess.

S

Q Were you aware that [redacted] and [redacted] went and briefed the general counsel, Stanley Sporkin and another

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lawyer, Monday evening?

A I was aware on Tuesday

Q How did you become aware of that?

A [redacted] and [redacted] told me. S

Q What did they tell you about that meeting?

A Well, you are better off taking what [redacted] said. S

Q What do you recall.

A I think they briefed him on the details of the flight and, again, this is just, I wasn't there. And probably Sporkin, since he is from the general counsel's office, was probably concerned about the legalities of the flight, I would presume. That would be the sort of thing he would focus on.

Q Did you know any time during the day, Monday, [redacted] and [redacted] would be going over to speak to Sporkin? S

A No.

Q How do you understand that they were brought into doing that?

A They told me.

Q Who asked them to---

A I don't know. I was out of the office Monday afternoon, I don't know from when to when. I missed the meeting with McMahon, and I also missed the meeting with Sporkin.

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Q What were you doing that Monday afternoon?

A I don't know. It had nothing to do with this.

Q I guess I am surprised you would have been gone that afternoon if at that time there would have been efforts for there to be additional flights.

A I think in my own mind that the decision was made much earlier than that, there be no additional flights, and, furthermore, people were very competent to do the operation of the planning. I am not involved in the day-to-day operation of the nuts and bolts on something like that.

Q Does the fact that you were gone that afternoon, in your mind at least, increase the likelihood that it was probably sometime Monday, before you were gone, that Clarridge told you that the operation was off?

A I think it was probably Monday morning, but, again, I sure would hate to be quoted on that.

Q I understand.

Do you know if in the coversation with Clarridge or at any other time around this Monday time frame, when the news came that [redacted] was not going to make further flights, was that in the context of it is put on hold for awhile and we might do it later, or we are out of it altogether?

A I don't know. If I had to guess, I would say put it on hold, but I don't know. Because you live from minute to-minute in that business, believe me. You start thinking about other things immediately.

Q General Counsel Sporkin, now a Federal judge, has told us that S [redacted] and [redacted] explained to him that the cargo being carried by the plane was missiles. Did they ever tell you that is what they told Sporkin?

A I don't recall. But I would presume they did, because they probably spoke to PO [redacted] which sort of makes sense.

Q You think that information most likely would have come from PO [redacted]

A That is the only place it could have come, I guess.

Q You are sure it didn't come from you?

A From me in---

Q Yes.

A It could have very well.

Q When would you have learned it?

A Well, if,indeed, PO [redacted] did say that to me, I probably would have no reason not to, I probably would have told S [redacted] because he was immediately involved with it. I certainly would have intentionally not told anyone. There was no reason not to. It sort of makes sense when you put the chronology together.

Q Did you speak to [redacted] at all on Monday? I may have asked you that before.

A You asked me. I don't know. I would presume I did. I would have told [redacted] every single detail I knew about the flight.

Q If you had at that point heard a report the crew felt it was missiles, that is the kind of thing you would have told [redacted]

A I am sure I would have. If I didn't, I would have had a lapse, and I am not in the habit of having those.

Q Did you in 1986, have any involvement in NSC missions involving [redacted] or [redacted]

A I left in October of 1986, and there was a planning some time during that period for a flight taking McFarlane and some people into, I think they ended up going into Tel Aviv. I think that was probably after I left, but there might have been some discussions before.

Q I believe that flight occurred in May of 1986.

A May of 1986?

Q Yes.

Q I am confused.

Q What do you recall about your involvement in that flight, if any?

A I think we provided an aircraft.

Q Actaully I want to---

A I think that was just a passenger flight, if I am not mistaken.

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Q In January or February of 1986---

A 1986.

Q ---did you play any role or learn any information about---

A When were the flights? The November flights were 1985.

Q That is right. This would have been a few months after that. Did you learn anything about [redacted] facilitation of a pick up of weapons, cargo, by Southern Air Transport at Kelly Air Force Base?

A You have all the details on this, I don't need to give you more. But we were ordered to facilitate, ordered from above to facilitate landing rights for Southern Air Transport at Kelly Air Force Base.

Q Where did that order come from?

A It came from the N.E. division.

Q Who in particular? C/NE

A One man involved was [redacted]

Q Do you recall at around that time, again, this is the early 1986 time frame, having any dealings with a [redacted] from the finance office, the CIA's finance office, with respect to this matter.

Q The name doesn't ring a bell, but there was a lot of business going on about the finacing for it, and we couldn't do the flights [illegible] correctly, until the money had been transferred into the agency.

Q What was it being transferred into the agency for?

A Don't ask me. There are people how have exact information on that.

Q The reason I ask you is tha[redacted] had a recollection that in the late January or early February time period, she put someone from the finance office, she thought,[redacted] in touch with somebody in [redacted] she thought you---

A It is quite possible.

Q Do you have any recollection of that?

A No. I don't know why she would have because our thing was that we weren't to move the material,obviously, until the money had been transferred,or something like that. And I don't know why, but I do vaguely recall something along those lines. Maybe it had to do with the costing of the thing; I don't know.

Q Were you involved at all in the methods by which the money would be received at the agency?

A No.

Q Did you understand that Secord was involved in that matter? I am talking now about the SAT flights in February?

A I don't think I did know Secord was involved, because Secord is not certainly connected with SAT, or was at that time. That is immaterial. I have never met General Secord, ever, as a matter of fact.

Q You knew that those were TOW missiles that were going out on SAT flights?

A Yes. Thousands of people knew that.

Q Did you know where the missiles were destined for?

A Supposition.

Q What was your supposition?

A It is Iran.

Q Did many people know that fact as well?

A I would think a cast of thousands.

Q Would know missiles were going to Tehran?

A They were trying to keep it down and saying going to Europe,as I recall, but a cast of thousands -- that is incorrect, take that off. A number of people would certainly know.

Q At the agency?

A At the agency.

Q Were you ever told this was a highly sensitive matter to be closely held?

A It was a very, very sensitive matter, and we were just given one little piece of it, which was a very mechanical part of the air lift.

Q Did you associate, in your own mind, that activity in early 1986, with the November flight?

A Indirectly.

Q What caused you to associate it?

A Because I knew about the November 1986 flights, and I presumed there was another initiative. I also knew it was coming out of the White House, I knew the agency was very unhappy about the whole thing, and just in my own mind, but I didn't have the specifics.

Q What did you know about the agency being unhappy about the whole thing?

C/NE

A I got a sense of reluctance, I got a sense [redacted] was being pushed very hard and just the general feeling was this is something that had to be done. [redacted]

Q Did the fact this was a missile shipment in early 1986 cause you to think there had also been a missile shipment in November 1985?

A It certainly caused me to think a little bit, yes.

Q You don't recall anyone specifically telling you it was missiles on the November 1985 flight; is that right?

PO

A No, except what you said about [redacted] If that is correct, I don't know.

Q You don't have a specific recolletion one way or the other on it?

A No, but I wouldn't want to make a strong issue. It was after the fact in any event.

MR. CAROME: Mark these as the next two exhibits.

(Exhibits No. [redacted] 9 and 10 were marked for identification.)

BY MR. CAROME:

Q I show you what has been marked as Exhibit 9, and ask you if you recognize that document. For the record, it has a CIIN number 2545 at the bottom.

A It means nothing to me.

Q Does it appear to you to be a list of the special flights handled by [redacted] in 1985 and 1986?

A Might well be.

Q That is not your handwriting; is that right?

A No, it is not.

Q I show you what has been marked as Exhibit 10, I ask you if you recognize what that document is? I believe it has a CIIN Number 2549 handwritten on the page of the document. Is that your handwriting on that document?

A No. What is the date of this document.

Q I am not sure it has a date reflected om it. It appears to be some time after November 1986 because it has an entry.

A Well, I am long gone.

(Exhibit No.[redacted]11 was marked for identification.)

BY MR. CAROME:

Q I show you what has been marked as Exhibit 11. It is a one-page handwritten document. It has a CINN Number 2546 at the bottom. I am asking whether you recognize this document.

A No.

Q That is not your handwriting?

A No. It looks like a bill or something,doesn't it?

Q I can't tell. The word "reimbursement" is at the top.

A What is the date?

Q Again, it is difficult to tell what the date is.

A This sort of thing won't have come across my desk anyway, I don't believe.

MR. CAROME: I don't think I have anymore questions at this point.

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TOP SECRET

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q I have just a few questions based on marginal notes, [redacted]

First, I have participated now in a series of interviews with [redacted] people, and so forth, and I have had some trouble getting a handle on the guidelines that were impossed on proprietary operations, so let me turn, if I may, back to the August 1985 flight that involves smokeless gunpowder. One of the exhibits that you were shown earlier referred to smokeless gunpowder and the destination was Tehran. Also listed on that sheet was a reference to detonators; do you recall that?

A I recall the document, yes,

Q Do you recall detonators appearing on the document?

A Well, it is right there somewhere. Yes.

MR. CAROME: It is Exhibit 11, which he is referring to.

THE WITNESS: Yes.

BY MR. WOODCOCK:

Q Now earlier when Mr. Carome was asking you questions about the smokeless gunpower, you believed the smokeless gunpowder itself would not have been a controversial item to bring into Iran once you surmounted the question of Tehran being a destination, is that correct?

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A That the smokeless gunpowder in itself is -- no, I don't think so.

Q Now that the document also refers to detonators can come in quite a number of varieties; is that not true?

A Don't ask me, I am not an expert on it.

Q Do you understand, for example, CIA could produce a detonator that is very small, might even fit into a letter. Do you have any understanding of that?

A Not any expert understanding.

Q You understand that is a possibility?

A If you say so. It is not my bag.

Q What I am trying to drive at is that is it not the position of [redacted] to satisfy itself that cargo like detonators is not highly technical cargo?

A Oh. Well, I would have, in a case like this, I would have -- I can't sit 3000 miles away and judge all the kinds of detonators there are. I would presume the proprietary accepting the cargo, if you are talking about safety of flight or something like that, they would make a judgment this is not an unsafe cargo or something like that.

Q Putting safety of flight aside, and I understand the 3000 miles away, I am trying to get at what kind guidelines the people out there in the field have for a flight. Would they also -- would they also, once they are satisfied it is a safety mixture, would they go one step further and try to determine whether the detonators

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themselves are, perhaps, super-sophisticated and may have terrorist applications.

A I don't think they would. They are not that sophisticated. It would be nice if they were, but the nature of this type of cargo sounds to me like it is sort of routine type cargo. You know, no, I don't think -- if something struck them as you unusual, they would certainly report it, I don't think they would go the next step, no.

Q They wouldn't actually examine the cargo?

A No. They wouldn't know enough, they are just to report back -- we don't want them nosing around either, because they are going to get caught in trouble. I don't think they would take that step, unfortunately, or fortunately.

Q So it is not outside of the realm of possibility that a [redacted] flight might end up bringing terrorist equipment into a terrorist country.

A I am not going to answer that question. That is certainly not intentionally.

Q But the guidelines are such it could happen?

A It could happen, you know that is a very leading question. I just don't want to get involved in it.

Q It is a leading question, but I am trying to understand how this operates. I am not asking the question to be critical.

A I just don't know. They are told to report back what they have on board and based on that a judgment is made. Obviously, if there is any idea there is anything to a terrorist, the flight wouldn't be made. There is no question about that.

Q When you were in the office on Monday, I take it you gathered there was some urgency to that flight?

A Very much so.

Q Did you receive information from Tel Aviv, ultimately from Tel Aviv, that this loading operation had encountered some delay.

A I heard that through a third party, yes, because the cargo is very bulky.

Q That would have come through either PO [redacted] or S [redacted] is that correct?

A Yes.

Q Did you understand that the loading operation was being performed by a mix of civilian and military?

A I don't recall that.

Q Is that the kind of information that might have made an impression on you at the time?

A Probably not.

Q How about if the information was that the military involved were very high-ranking military?

A It wouldn't have surprised me. It was a very special type of flight, obviously.

Q When you were in the office, you testified Charles Allen was there; do you know what his position was?

A He was an NIO for CIA. Yes, at the time I knew what his position was. But I can't remember what it was now.

Q Did you have an understanding as to what his function was there in the office that day? What was he doing there?

A Truly, no, I didn't.

Q But you understood he was an intelligence officer?

A I knew who he was. It is not for me to question.

Q Did you have an understanding as to whether he was processing intelligence?

A Processing intelligence?

Q Was he bringing intelligence into Clarridge and North to make them understand any other aspect of the operation better?

A I think he was trying to do that, yes, as a matter of fact. That may be why he was there, I don't know.

Q Was the fellow with the deformed back, was he an assistant of [illegible] somebody else?

A He certainly acted as if he were a subordinate.

Q I realize from your testimony that you did not understand Richard Secord himself was Copp until some time long after this operation; is that right?

A I read it in the newspaper.

Q When you read his name in the newspaper was that a name familiar to you?

A Copp?

Q Secord.

A I have heard of Secord.

Q How?

A He is a well-known figure. He was involved in the hostage rescue air lift. He is known to a lot of our people. Many people I knew had worked with him in Southeast Asia. I never met the man.

Q Does even he have a reputation within your shop?

A That is kind of an unfair question to ask. He had a mixed reputation, all of which was not good, but that is third-hand stuff, you know.

Q I understand.

A People have prejudices.

Q Do you recall any of your proprietaries ever complaining about Secord, his involvement in the air operations?

A Secord directly?

jm 36

Q Yes.

A No.

Q As this operation was unfolding on Saturday, November 23, was it your understanding that this was actually an NSC operation or that NSC was facilitating the flight for a private third party?

A My supposition was that it was an NSC operation, but nobody specifically spelled it out NSC.

Q I gather that you have had a working relationship with [redacted] for some time; is that right?

A Well, I met him on three or four occasions during the period I was chief [redacted]

Q You had, during that period, an opportunity to she how he acted as a proprietary manager; is that right?

A I understand, yes.

Q If he believed his crews may have been endangered by flights, going beyond the one on November 24 and 25, do you think he might have made up an excuse to shut the flights down?

A Made up an excuse to shut the flights down? He might have. It is all speculation but---

Q I understand.

A That was his personal, it is possible.

Q If he felt this operation might have been endangered by a future flight, notwithstanding it might

jm 37

been desired, is that something that could have been done?

A It is a possibility. I don't know of any cases he has done that. It is within the realm of possibility.

Q The name Schwimmer, or Swimmer, as you wrote it down, came up in the course of your work in the office on Saturday. I believe you testified that you assumed he was in Europe, is that right?

A That was my assumption. I understood he was an Israeli.

Q Who was it mentioning Schwimmer's name?

A Mostly North. That is my recollection.

Q When you say you understood he was an Israeli, did you have any understanding whether he was associated with the Israeli Government or a private citizen?

A I didn't have any idea.

Q How about Copp, did you have any idea whether he was a government man or a civilian?

A I didn't focus on that.

[redacted]

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DENIED IN
TOTAL

jm 39

[redacted]

MR. WOODCOCK: I don't have anything else.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q Was it PO [redacted] practice to forward to you m [redacted] written reports on his activities?

A Significant reports he would attach to [redacted] PO [redacted] made a sort of monthly report, and he would attach occasionally excerpts from reports m [redacted] gave to him.

Q Do you recall whether or not this Exhibit 3, which I understand is one of m [redacted] reports, was something that you saw after this was written?

A I don't recall that. If he had attached it to the report, I would have seen it.

Q You don't have a recollection of seeing this report; is that correct?

A No. If it had been attached I probably would have seen it.

MR. CAROME: That is it.

(Whereupon, at 1:40 p.m., the deposition concluded.)

UNCLASSIFIED [redacted]

CIA AIR BRANCH
CHIEF EX. #1

August 26, 1985

Air Branch

Memorandum to: [redacted]

Subject : Activity 12-24 August 1985

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

From : [redacted]

5128

Our 707 made the flight from [redacted] to Tehran 13 - 15 August [illegible] had previously reported. The cargo was reported to be [illegible]0 tons smokeless powder and detonators from Belgium and Israel.

The 707 returned [redacted] 16 May [redacted]

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/43

HSCTS

[redacted] Chapter 10, Footnote 10
22 [illegible] 85

C 6535

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CIA AIR BRANCH CHIEF EX. #2

Partially Declassified/Released on [illegible] 1988 under provisions of [illegible] by B. [illegible]

REVIEWED FOR RELEASE
Date 20 Feb 8[illegible]
HSCI SSC

1600 hrs 22 Nov 85
AIR BRANCH (AB)

[redacted] Called requesting availability of Boeing 707s [illegible] move sensitive hi priority cargo 240,000 lbs [illegible]0 pieces 3360 lbs ea measuring 18' L x 2½' W x 3½' Tall [illegible] Pickup & Destination was Tel Aviv to [redacted] [illegible] or so coordination, was determined that [illegible] could be made available one was on the ground [redacted] scheduled for Sat [illegible] [redacted] the Second ~~[illegible]~~ was delivering cargo to [redacted] and then to [redacted] [redacted] D contacted [redacted] and had the aircraft & crews put on standby. It later developed that the other [redacted] A/C had landed [illegible] and departed for [redacted] leaving only one A/C avail [illegible] the flight [illegible]

Ap. 2800 hrs final approval was given and I was advised that Richard Copp would be contacting [redacted] about 2000. This did happen and by then knew the second aircraft was not avail. Customer agreed to 65K plus all expenses and was to arrange fuel and clearances at both ends for estimated 3 [illegible] Copp had no problem with using only one aircraft.

The first ~~[illegible]~~ departure from [redacted] was scheduled [illegible] GMT.

2200 Everything was [redacted] and again no news good news.

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4aR

AD
1000 hrs 23 Nov [redacted] called no problems to them. I informed them of [illegible] [illegible] [illegible] [illegible] the [illegible] Saturday [illegible]

C IIN 2537

UNCLASSIFI[redacted] C 6536

10 Mar... Later [redacted] called to inform me that the 1st aircraft was late leaving [redacted] ... He had diverted the second A/C at the request of the customer. The [redacted] had also requested we further move the cargo to Tehran. [redacted] the Magic indicated the --- was the same [illegible] he had earlier reported to us [redacted]. If we decided to do this ~~[illegible]~~ indicated he needed to go to [redacted] to Geneva and take money. I passed this on [redacted] AD [redacted] and to [redacted] C/AB and [Dewey] C/EUR. He called back that they were considering it so did not want [redacted] [illegible] to get out of touch with the customer long enough to make the move ...

[redacted]

[redacted] to Destination [redacted]? Why.

[redacted] — Checkman [illegible] — [redacted]

[redacted]

1700 [illegible]

2000 Change Loading to [redacted] Reverse

[illegible]

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DO 26198

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Date 20 Apr 87
HSCOSSC

CIIN 2537

[redacted] UNCLASSIFIED [redacted]

[redacted]

1900 22 Nov Watched CBS report [redacted]

2000 [illegible] Called [redacted] He had seen and was standing by for instructions.

DCAB

2015 Called [redacted] He had seen and [illegible]

CAD

2200 [redacted] Called to inform me that the [illegible] was moving [redacted] staging in place.

employee

1030 23rd [redacted] called with some [illegible] question should [redacted] [illegible] be taken down

Routing - Entry Exit Point [illegible] & Time

ETD [redacted]

airborne

Note; No direct routing avail - indirect et planned Route dangerous - Comment

No

8 mi min

M ~~F~~ULT :18 min After T.O.

ARRI

ALRAM 1:24 after mult

1:42

Tehran :46

1400 [redacted]

ETD 1600

T.O.

14[illegible]

3 [illegible] BC 2/4:

(:15) 12 - TABRIZ NW corner

North Then South

IN [illegible] T

C11N 2537

A/C Ready - no money

0550

- no Transit Rights

- no Guidance -

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Date 20 [illegible] 82

C 6538

guy at local site says

135 – [redacted] hourts 8000. – Cargo in ? ....

115 [illegible] aircraft. based on people at site. – assurance

[illegible] boats

[redacted] – ETA / Via. Bonus for Employees

have [illegible] - land @ [redacted] 6K

14 hrs. to unload. → Two groups in the div.

---- dont come back direct [redacted] → 2 + 6 hrs. to load

1 aircraft.. Very [illegible] guy ... →

130. + 1:30 ... +1:30

+40 +1:3

[redacted]

20:00 :40

20:40

1:30

22:10

2000 Z [illegible]

2040 Z

2210 Z

0010 Z 24 hr

14:10 Z 24 hr

2100

D

~~0010~~

[redacted] No Cargo Doc

on ground

No North.

Just off.

2½ hrs after Landing

19:00 [redacted] Tomorrow Evening

00:00

[redacted]

20. 1 [illegible]

Ark 2

[redacted]

3 32 2/43

DO

25190

UNCLASSIFIED [illegible] 20 Aug 82 [illegible]

CIIN 2537

UNCLASSIFIED

30 Nov 8

MEMORANDUM 301185 [redacted]

CIA ABC
Ex. #3

Re.: Mission TLV/THR

1. CHRONOLOGICAL REPORT [illegible]

PHASE I - Contact and Contract

Friday afternoon 22 Nov first info to me via [redacted] that I would be contacted concerning an urgent flight and that it was in our interest to perform those upcoming flts.
At about 20 00 Local time I was contacted by a certain Mr.Richard Copp [redacted]
He asked me whether I had already been informed about a mission, which I denied. He then explained to me that there had to be 3 flights done as quickly as possible " Government to Government" from Tel Aviv [redacted] After a short discussion we agreed that we could do it with [illegible] aircraft consecutively for a flat fee of 60 000.00 USD plus fuel, landg,handlg had to be paid by him.
Further it was agreed that second Boeing would be made available on request should the matter get urgent.
During my subsequent phone conversation to our [redacted] I referred to my MEMO 211185 para [illegible] and questioned the way it was displayed to me and supposed that this cargo was the same as in my memo indicated. This was [illegible]d.

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

PHASE II - Positioning

Our Boeing [redacted] had just arrived [redacted] The aircraft was taken over by [redacted] and [redacted] departed to [redacted] Capt [redacted] had the order that upon the receipt of the code "Celia" he would find an excuse for the customer and depart [illegible] Aviv, filing officially for [redacted]. Traffic rights for [illegible]ht [redacted] were tentatively applied for by our [redacted] should this become necessary.

(5129)

3 3c 2/43

Our second Boeing was parked in [redacted] and [illegible] not [illegible]rt before the airport opened the next morning [redacted]
At the time I had made the agreement with [illegible] about 0100 GM
The crew [redacted] which was supposed to [illegible] [redacted] the next day [redacted] was therefore alerted concerning the early departure of this aircraft to Tel Aviv. After the airport had opened the fuel company was available for fuelling this aircraft [redacted] At about this time I was informed by Copp that pallets had to be taken along. [redacted] Our own pallets were stored in the

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Page 2 of MEMO 301185 UNCLASSIFIED

hangar.[redacted] Due to the shortage of time we decided to let the aircraft fly [redacted] to pick up the pallets instead of transporting them [redacted] ground transport.[redacted] The pallets had been put on a forklift in the meantime and our mechanic was waiting for the aircraft to arrive. After the aircraft had arrived the pallets were loaded and the aircraft continued to fly to Tel Aviv after having refuelled a little because of the extra flying time[redacted].

[redacted]

In the meantime Capt[redacted] together with [redacted] and an copilc additional loadmaster [redacted] had arrived from Paris via train and were also on board when the aircraft departed finally at about [redacted] It arrived in TLV at [redacted] (23 Nov)

Due to this departur[illegible]ay, Copp had requested from me to also put the second airc[illegible]nto this operation due to the utmost urgency of the miss[illegible] Therefore the code wor[illegible] IT WAS transmitted [redacted] and after unloading [redacted] fuelled and departed to TLV [redacted] The overflight rights had been granted in the mean[illegible] [redacted] landed at [redacted] on the 23 Nov in TLV[illegible]

PHASE III - Loading

Although Richard Copp, [redacted] had said to me that the loading was planned to take 5 hours but would be speeded up to 2 hours, [redacted] which had first arrived, had [illegible] loaded one piece out of 19 pieces in 4 hours. Therefor[illegible] time all concerned parties were concerned that the [illegible]uld take as long as possibly 24 hours. Therefore and [illegible] obviously traffic rights had not been granted [redacted] I was told that now the load had to be transported [illegible]ly [illegible]R. This confirmed my initial suspicions and it [illegible]viou[illegible]e that several things had to be changed.(Copp [illegible] hours before that the traffic rights in [redacted] [illegible]ssued and the [redacted] was inf[illegible]re my crew told me that in TLV everyone kne[illegible] they ha[illegible]ready been [illegible]rned down and that the real dest was THR)

the 707

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20April87

Memo [illegible]85

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I was given the contact of Mr.A.Schwimmer in TLV by Mr.Copp and talked to Schwimmer several times on the phone. the 70

I told him that we could not fly to THR with an American registered aircraft and that we therefore had to unload [redacted] again [redacted]. [redacted] He tried several times to convince me and even offered to paint a different registration on the aircraft and do some kind of formation flying into THR. Keeping in mind that all phone conversations to Israel might be listened to, I told him that we were a normal Airline and wanted to stay in business for some time to come and that the only way to do it was the correct way for us to do it. Therefore [redacted] was unloaded again. the 707

In addition to that I explained to him that we needed traffic rights to overfly [redacted] which we had applied for tentatively the moment the real dest. had come out, but only for [redacted]

And also we estimated that it would take time to get those rights.

In addition I had conferred with [redacted] and was told that those traffic rights would be supported diplomatically and that we could count on them.

the captain

I was in touch with [illegible] all the time and verified all [illegible] them. In fact [redacted] was in Schwimmers home and we negotiated there that we needed 30 000 USD in order to go to the new destination because we had not planned on it and therefore had not enough cash with us. Also we did not trust them that everything was paid in THR. Schwimmer came up with 8000 USD after lenghty discussions because it was Sunday in the meantime and he could not get more money.

PHASE IV - Flights [illegible] performed

the 707

According to the new agreement between Schwimmer and [redacted] had been unloaded again and departed [redacted] [redacted] on Sunday the 24 Nov.

the 707 captain [redacted] did this flight and took all extra crew back except for the second loadmaster because it had become obvious to us that the TLV/THR route could be flown by one crew due to the lenghty loading and expected unloadg proc[illegible]

In the meantime Schwimmer confirmed that [illegible] rights for overflight [redacted] had been confirmed [illegible] we could go with [redacted] as soon as it was loaded.

However, the last mome[illegible] they decided [illegible] our agreement that the aircraft shou[illegible] land [redacted] [illegible] going on to THR This required additiona[illegible] funds by us [illegible] ai[illegible] had to be defuelled in TLV becaus[illegible] it would ha[illegible] for landing [redacted] and had to refue[illegible] this miss[illegible] [illegible] money but even after long discussions Schwimmer only supplied another 2000 USD which gave [redacted] The c[illegible] about [illegible] together with the cash he had in his ships funds.

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Finally we gave the green light for [redacted] the captain to take off and he left TLV with [redacted] on the 24 Nov.
Since arrival it had taken him exactly 24 hours for loading and clearing all the problems.

After arrival [redacted] [redacted] the captain had new problems as the customer and especially the military in TLV had not only not given him any documents for the load but also had taken out every evidence which might have proved that the aircraft was in TLV.
Customs/[redacted] therefore did not want to release the aircraft unless documents were produced and therefore the load also had to be inspected. Finally [redacted] The capt wrote a cargo manifest himself, which was accepted although it had no stamp of the departure point and finally he could talk his way out of this situation. Finally he therefore left at [redacted] direction [redacted] as planned.
However, nothing was prepared for overflight [redacted] and he had again to talk his way through. Since they repeatedly insisted on a diplomatic clearance number, he made one up which was not accepted after long negotiations and then he filibustered one hour and 30 min his ~~way~~ [redacted], using different altitudes, positions and estimates that he told [redacted] with whom he was obviously in radio contact. [redacted]
However, radar reali[illegible]his off- positions which gave additional reas for arguments and [illegible] delays.
At the THR border he [illegible] received without any problems but he did not have to say the [illegible]d code "I am coming for Mustafa" because Radar treat[illegible] very normally.
Finally he landed [redacted] on the 25 Nov(monday)

PHASE V - Unloading

After landing in THR the aircraft had to remain on the runway for about 10 min until a "follow me" came and directed them to the parking area which was on the military side.
Thelanding had been done on runway 29 r and the aircraft was directed to the south of this runway onto the the north/west part of the southern military apron. At this location the aircraft had parked also during our last flt to THR a few [redacted]. It is a special area which is su[illegible]d by a high fence to the outside so that people outside the [illegible] cannot see the aircraft.
the captain [redacted] was first contacted by an office[illegible] who directed the unloading later and who told him th[illegible] [illegible]t know about this flight and were surprised that it [illegible] come [illegible]
30 min after arrival a civilian with a [illegible] on his back arrived at the aircraft and asked [illegible] first: "What are the nationalities of the crew, what is the cargo, where do you come from ?"
Then he talked to [redacted] the captain telling him that he should not

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Date 20 Apr 8

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the Captain

[illegible] tell anyone including the military where the aircraft really came from. He then mentioned that they were expecting 4 more flights from TLV. He would like to see the same crew then due to security. When [redacted] was asking for money or arrangements of fuel, parking etc. he told him not to worry and that everything would be taken care of.
2 Supervisor then started to direct the unloading, one military and one civilian with submachine gun.
The crew was sent to the officers Headquarters where they were told again by the civilian to keep their mouth shut about this and not talk to anyone about their mission.
Capt [redacted] then told him that our crew did not want to pass through passport and customs control because during the last flight it had taken several hours and they wanted to avoid that this time as they expected aquick unloading and then had to leave again.
Therefore the civilian took them in a car through back roads off the airport and was not checked or stopped at the gate although even military had to present their id - cards at that gate.
The trip to the Hotel took one hour and finally they arrived at the former Sheraton Hotel. (Different name now, could not remember)
All rooms were occupied and therefore they had to take a suite together. After being in the hotel for about 2 hours to the surprise of the crew they got a phone call that the aircraft was unloaded and that they could be picked up in a few minutes.
This was 6 hours after the aircraft had landed. [redacted] had the captain remained at the ai[illegible] for some time to see that the unloading really took place and that it was done correctly. Then the time in the office[illegible]s and the trip to the Hotel had taken some time.)
However, after this alert it took 2 hours until the car finally arrived. In the meantime the civilian had apologized several times and the crew was offered coffee and cakes.
After arrival at the airport through the "backdoor" [redacted] the captain required a permit number for overflight [redacted] in order to avoid the problem he had coming in. He refused to leave without.
Therefore he and the civilian went to the Tower from where they tried to [redacted] obtain this number. After about 2 hours of trying [redacted] told them that the o[illegible]ght was ok but they could not get a number. Also [redacted] told that the the C
Air Defense of Iran was informed and that [illegible] leave now which he finally accepted.
When the crew was taken over to the airc[illegible]alized that the aircraft had been towed to the civi[illegible]sid[illegible] the meantime and that it was being fuelled by civi[illegible] person[illegible].
When [redacted] the captain asked for full tanks (ord[illegible]in because after all those problems which I was [illegible] [redacted] the ca had called [redacted] via Telefone from the Hotel, I [illegible] the possibili: to take the aircraft directly back [redacted] if necessary) the civilian who had received him was very disappointed because he realized that so much fuel was not needed to go back to TLV.
However [redacted] told him that he needed the extra for security.
the captain

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E.O. [illegible]

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PHASE VI - Return flight

The aircraft took of at [redacted] on the 25 Nov, after 14:35 hours on the ground in THR.
The aircraft was directed by radar off the airways a little more to the north than normally, close to the Russian border.
Also [redacted] was given a special exit time which he had to meet in order to comply with the Iranian Air Defense.
Approaching Tabriz the aircraft was ordered down from FL 350 to FL 280, shortly before reaching [redacted] border again up to FL 350.(reason unknown).
No transponder was used in the Iranian airspace. the Captain
After arrival [redacted] was told by radar that this time he was accepted but ~~that~~ in future for further flights, the ok of the civilair was not enough but that he had to get also the ok of the Ministry of foreign affairs and that otherwise the aircraft would be turned back.
the Captain
Based on all this information, I ordered [redacted] via radio to proceed directly [redacted] which we had planned initiall[redacted]
The aircraft arrived [redacted] 26 Nov.

[redacted]

GENERAL CONCLUSIONS

The mission was poorly planned and directed by our contract partners in a amateurish way.

1. [redacted] for about a week with [redacted] from [redacted] to THR.

2. Copp was sitting in [redacted] although [redacted] was [redacted] not flown to and he as our contract partner could not [illegible] what was going on in TLV.

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3. In TLV the aircraft was on the milita[illegible] loaded by high ranking military personnel who we[illegible]stomed to this type of work.(The lowest ranking o[illegible]cer [illegible] Lieutenant) In addition they did not work much a[illegible] many coffe brakes.

26223

4. A certain Mr.A.Schwimmer which was introduced to me by Copp as the representative in TLV of Copp, was very pushy with the military, sometimes to a point where he was insulting, but he did not understand the special aviation problems and did not have things under control. I.E. He sriously proposed to the Captain [redacted] to change the registration of the

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the captain

[redacted] aircraft and to forge the respective papers " in 2 hours". This was turned down by [redacted] and also by myself when Schwimmer mentioned it on the phone due to the before mentioned reasons.
Also the cash money which Copp had promised was not available and Schwimmer apparently did not know about this requirement.

5. The routing changes, destination changes, involved traffic rights were done too late and the crew grew more and more insecure as they are not used to this type of makeshift Airline direction and control.

6. The mission was still performed successfully because of the initiative the crew had displayed and because they are used also under adverse circumstances to complete the mission before problems will be discussed. However, this is not the way it can be done repeatedly because the good will will be worn out.

PROPOSAL

As Aviation is a ve[illegible]plex business which requires a lot of experience from all [illegible]rned and also because the feed back information is so v[illegible] for the operation, the directly involved employees have to b[illegible] of the decision making and planning as early as during the contracting stage.
Had it not been a special flight, I would have delayed for about 2 days after I had learned about the change of Destination in order to have enough time for correct planning and the aquisition of the necessary traffic rights.
The little radar controlle does not know political decisions and wil not even be informed by his superiors. We experienced that time and again. Therefore all those things have to be presented in a normal way so that the controller simply has a dip[illegible] clearance number like he has for every other aircraf[illegible] this flight will look totally normal for him.
In other words: Those flights can be perf[illegible]ut any problem by only with the proper planning.
In order to have proper planning, the m[illegible] of [illegible]irline, who happens to be myself, should be heard b[illegible] con[illegible]ng or making commitments to third parties an[illegible] of the planning process.

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Page 8 of MEMO 301185

I therefore suggest that during the preparation process I should be invited to the meeting of the departments which are involved in the decision making.

[redacted]

I realize that there is the aspect of security and that the missions have to be done in a clandestine way. However, it cannot get worse than it was during this last mission and it could have been performed totally clandestine, had the above proposed meeting taken place in advance.
In aaddition to that, my presence during those meetings could provide the concerned officers who represent the different departments with useful feedback information so that for future planning some things can be ruled out right away without even going into detail whereas others can be accepted right away without checking details.

In addition to that [redacted] ingle missions or tasks to be performed should be part of a ategy which I am sure exists, but which I am not aware of i il. Knowing the all-over strategy it would be easier to ertain missions and it would even be easier to plan the udget which defines whether new airplanes have to b chased/leased or others have to be sold.

In short: I would a ate if I could be given more responsibility by being more part team as far as the planning of the avaition aspects ar erned. I think it is a waste of experience and information whe s not made part of the planning process. I also like to make sure that I am not on a "ego trip", but that I have the success of our company in mind which last not least is also the success of this country.

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20 Apr 82

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OUTGOING

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PAGE 001
TOT: 23[redacted]NOV 85 DIRECTOR 627576

S E C R E T
STAFF 23[redacted]DIRECTOR 627576
TO: FLASH[redacted]
[redacted]

[redacted] 12-14-87

SUBJECT: NSC REQUEST

1. WE HAVE UNDERWAY IN THE NEXT 24-48 HOURS AN OPERATION AIMED AT THE RELEASE OF THE WESTERN HOSTAGES SEIZED IN LEBANON. THE OPERATION INVOLVES THE MOVEMENT OF AIRCRAFT FROM ISRAEL TO IRAN AND REQUIRES AN ENROUTE STOP[redacted] WHICH WILL EASE PROBLEMS FOR OVERFLIGHT[redacted] A STOPOVER AT A MILITARY OR COMMERCIAL AIRFIELD[redacted] IN ORDER TO FILE FLIGHT PLAN FOR TABRIZ AND TO REFUEL WOULD GREATLY FACILITATE THIS EFFORT.

2. A TOTAL OF FIVE SORTIES ARE REQUIRED FOR THIS OPERATION. HOWEVER, IF[redacted] COULD AGREE TO ONE OF THESE OCCURRING IN THE NEXT 12 HOURS OR SO IT WOULD ALLOW US TO SHOW OUR GOOD FAITH TO THE PARTY INVOLVED AND LIKELY RESULT IN THE RELEASE OF THE HOSTAGES. WE COULD THEN ENDEAVOR TO ACCOMPLISH THE OTHER FOUR SORTIES THROUGH OTHER MEANS IF [redacted] WERE UNWILLING TO ASSIST US FURTHER.

3. THE AIRCRAFT INVOLVED IS A COMMERCIAL BOEING 707 CARGO AIRCRAFT REGISTRY NUMBER [redacted] OWNED [redacted] IF [redacted] ARE AGREEABLE, I WILL PROVIDE YOU WITH FLIGHT TIMES.

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under provisions of E.O. 12356
by K. Johnson, National Security Council

4. WILL YOU PLEASE GO TO [redacted] ON THIS IMMEDIATELY. YOU CAN DRAW ON ANY OF THE ABOVE IN MAKING YOUR PRESENTATION TO HIM. I WOULD ASK HOWEVER THAT YOU IMPRESS UPON HIM THAT WE NEED ABSOLUTE DISCRETION IN THE MATTER. YOU CAN ALSO ASSURE HIM THAT THIS OPERATION IS OF GREAT INTEREST TO THE HIGHEST LEVELS OF THE USG AND IF IT WILL HELP I CAN ARRANGE FOR BUD MACFARLAND TO CALL WHOMEVER [redacted] MIGHT SUGGEST. NEEDLESS TO SAY, THAT [redacted] ASSIST US THEY CAN EXPECT TO RECEIVE MENT[redacted] IN DISPATCHES, APPROPRIATE LETTERS OF APPRECIATION [redacted]OM OUR PRESIDENT, ETC. AGAIN, I MUST STRESS THAT DISCRETI[redacted] IS THE KEY ELEMENT WHICH YOU SHOULD STRESS TO [redacted] IN PRESENTING THIS MATTER. I WOULD ALSO ASK THAT YOU KEEP KNOWLEDGE OF THIS OPERATION LIMITED TO YOURSELF WITHIN [redacted] AND THE AMBASSADOR NEED NOT REPEAT NOT BE INFORMED. HOWEVER, IF [redacted] NEEDS TO BOUNCE THIS PROPOSAL OFF THE PRIME MINISTER OR SOMEONE SIMILAR WHO MIGHT BRING IT TO THE AMBASSADOR'S ATTENTION, I WILL SEEK SPECIAL AUTHORIZATION FOR YOU TO BRIEF HIM. BEST REGARDS AND WHY DO THESE ALWAYS HAPPEN ON THE WEEKEND.

5130

5. FILE: NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); AUTH: C/EUR (CLARRIDGE); REL: C/EUR (CLARRIDGE). CL BY [redacted]
END OF MESSAGE

A 3 7C

SECRET DO 21404

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Date 20 APR 1987

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Ex #5 [redacted] 12

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SPOT REPORT

25 November 1985

SUBJECT: NSC Requirement for Covert Airlift

At the request of the NSC on 24 November, [redacted] [redacted] proprietary Boeing 707 transported sensitive cargo from Tel Aviv to Iran. This was a fast breaking requirement for a controlled non-U.S. registered commercial airlift. We are pleased [redacted] proprietary was able to successfully handle this sensitive and dangerous airlift which involved a routing from Tel Aviv to [redacted] over [redacted] into Iran. The aircraft is still unloading in Teheran and should depart this morning. More flights are expected this week.

[redacted] 29 Nov 85

Distribution:
Orig - DDO
2 - AB:chrono [redacted]

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by K. Johnson, National Security Council

5131

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Date 2 DEC 86

CL BY [redacted]
DECL OADR
DRV HUM 4-82

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CIA ABC Ex. #6

[redacted]

7 December 1985

(5132)

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

MEMORANDUM FOR THE RECORD

SUBJECT: NSC Mission

1. On Saturday, 23 November 1985, Ed Juchniewicz asked me if I was aware of all the activity transpiring on the effort to get the hostages out. He showed me a cable to [redacted] asking that we pass a message to the charge from the Deputy Assistant to the President for National Security Affairs. The message assured the charge that only the Secretary of State and Ambassador Oakley were aware of the operation. I told Juchniewicz that I was unaware of the specifics of the operation but due to the sensitivity of the operation, it was appropriate that we pass correspondence between the NSC and the ambassadors overseas, but only communications, that we could not be involved without a Finding.

2. On Monday, the 25th of November, while visiting the Office of the DDO [redacted] was present and had given Clair George a Spot Report on a flight that [redacted] had made in support of the NSC mission. I went through the overhead pointing out that there was no way we could become involved in any implementation of this mission without a Finding. Mr. Juchniewicz explained that we did not make the arrangements. When General Secord visited the Agency he tried to get leads on airlines that might be available to move equipment to the Near East in a secure fashion. We told him we did not have any such airlift capability. However, Mr. Juchniewicz said it was pointed out to General Secord that there was a commercial airlift that might do it owned by [redacted] General Secord then took it from there and made arrangements for a flight on a strictly commercial basis.

3. Somewhat distressed at this turn of events, I immediately informed our General Counsel after confirming with Dewey Clarridge our involvement. I instructed the [redacted] personnel to immediately go over and brief the General Counsel and so advised the General Counsel at 6:15, the evening of 25 November. He informed me later that night that a Finding would be [redacted] not so much from the airlift standpoint, but from our involvement in influencing foreign government officials to assist the mission. A Finding [redacted]. The Finding was cleared with the Director who called McFarlane and Don Regan to ascertain that indeed this had Presidential approval and to get assurances that a Finding would be so signed. After repeated calls to NSC personnel on 27 November and during the week of 2 December continuously receiving reassurances of the President's intent to sign the Finding, we were notified on 5 December that indeed the Finding was signed. [redacted] directed us not to inform Congress for the reasons of the safety and secure release of the hostages until he so directed.

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4. (On 25 November, the Ambassador in [redacted] cabled the Director personally [redacted] noting that Ambassador [redacted] would like to talk to the Director on the telephone. In response, I released a cable to the Ambassador assuring him that the operation that he had been briefed on by the DCM was initiated by the National Security Council but suggesting it would not be wise to attempt to reactivate our request to get [redacted] approval.)

John N. McMahon

C11N 1124

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Executive Registry 32 533

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ACTION

[redacted]

85 [illegible] ASZ [redacted] PAGE 001 IN 9110344
TOR: 25[redacted]NOV 85 [redacted]

S E C[illegible]T 25[redacted]NOV 85 STAFF

CITE [illegible]

TO: FL[illegible]

[redacted]

47

SUBJECT: NSC REQUEST

REF [redacted]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

1. ACTION REQUESTED: FLASH RESPONSE SOONEST TO REF AND FOLLOWING.

2. [redacted] MET WITH AMB/[redacted] AT [redacted]OURS. AMBASSADOR WAS ALSO CONVOKED. [redacted] QUITE UPSET [redacted]ULTIPLE FLIGHT PLANS RECEIVED, FACT FIRST FLIGHT CAME DIRE[redacted] FROM[redacted] AND DID NOT REQUEST CLEARANCE BEFOREHAND AND[redacted]CTING STORIES ABOUT PLANE'S CARGO. [redacted] TOL[redacted]IT [redacted] INDUSTRY SPARE PARTS, TELEX FROM CARRIER STATED MEDICAL SU[redacted] AND THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MI[redacted] EQUIPMENT.

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3. [redacted] CARRIED THE CAN ON THIS S[redacted]T TO INVOLVE AMBASSADOR AND DEPARTMENT (DEMARCHE WILL NOT BE[redacted]TED OTHER THAN IN THIS CHANNEL).

4. BOTTOM LINE IS THA[redacted] STILL[redacted] TO ASSIST BUT HAS DEVELOPED A LITTLE CYNICISM ABOUT OUR [redacted]RACTION WITH THEM ON THE MATTER. [redacted] AGREED THAT FURTHER FLIGHTS COULD PROCEED SUBSEQUENT [redacted] ALSO INSISTS THAT PLANES FOLLOW NORMAL PROCEDURES, I.E. REQUEST OVERFLIGHT CLEARANCE AND THAT THEY DO NOT SHUTTLE FROM [redacted] AS NOTED [redacted] PLANES MUST NOT COME DIRECTLY FROM [redacted] THEY SHOULD TURN WEST AND PICK UP OTHER ROUTING. EVEN BETTER, WOULD BE NOT TO UTILIZE [redacted] AT ALL. [redacted]

5. ANOT[redacted] MATTER REQUIRING CLARIFICATION IS THE QUESTION OF AIRCRAFT. [redacted] HAS IMPRESSION FROM PAPERS FILED BY CARRIER THA[illegible] SAME PLANE [redacted] UTILIZED AND SHUTTLE FRO[redacted] THAT IS [illegible] [redacted] IMPRESSION FROM EARLIER TRAFFIC. PLS CLARIFY.

6. THE SITUATION NOTED PARA 2 REF, I.E. SECOND FLIGHT [illegible] THIS MORNING DID NOT EVENTUATE. WE NEED, HOWEVER, TO TRY A[illegible] EXPLAIN AWAY THE MULTIPLE FILED FLIGHT PLANS. IS IT PROBA[illegible]AT THEY REPRESENT PLANNING PRIOR TO THE RESTRICTIONS PLACED O[illegible] FLIGHTS BY [redacted] IF SO, WAS THERE A BREAKDOWN IN COMMUNIC[illegible] CHARTER CARRIER DID NOT GET THE MESSAGE? THIS IS A POSS[illegible] EXPLANATION [redacted] PRESENTED TO [redacted]

A

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7. IN ANY EVENT, WE ARE GOING TO HAVE TO TRY AND SA[illegible] THE [redacted] POINTS OUT THAT ATTEMPTS TO CIRCUMVENT THE GROUND RULES (EITHER CONSCIOUSLY OR THROUGH POOR COORDINATION) RUNS RISK OF A LEAK AND BAD PUBLICITY, HARMFUL MORE TO U.S. THAN [redacted]

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OUTGOING

[redacted]

85 9[redacted] ASZ PAGE 001
TOT: 26[redacted] NOV 85 DIRECTOR 628289

S [redacted]
STA[redacted]DIREC[redacted]289
TO: [redacted]

[redacted]

SUBJECT: NSC REQUEST

REF: A [redacted]

Partially

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under provisions of E.O. 12356
by K. Johnson, National Security Council

1. YOU MAY ASSURE [redacted] THAT WE WILL NOT USE [redacted] FOR ANY FURTHER FLIGHTS NOR WILL THERE BE ANY SORTIES UNTIL [redacted] WHAT I NEED TO KNOW IS CAN WE PROCEED WITH A FLIGHT TRANSITTING [redacted] LATE EVENING 27 NOVEMBER/EARLY MORNING 28 NOVEMBER OR WE WAIT UNTIL THE EVENING OF 28 NOVEMBER.

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2. PLEASE TELL [redacted] THAT WE ERELY REGRET THE ENORMOUS AMOUNT OF CONFUSION SURROUND ST NIGHT'S SORTIE. YOU ARE INDEED CORRECT THAT PLANS BEI E AT POINT OF THE AIRCRAFT'S ORIGIN WERE OVERTAKEN BY TIONS PLACED ON THE FLIGHTS BY [redacted] OUR PROBLEM IS ARE ONLY BROKERS IN THIS MATTER AND DO NOT HAVE DIRECT RA MMUNICATIONS WITH THOSE RESPONSIBLE FOR ORIGINATING THE TS OR THE FLIGHT CREWS. THIS IS BASICALLY A COMMERC SACTION AND INVOLVES AIR CHARTER COMPANIES OVER WHICH WE H DIRECT CONTROL. MOREOVER, THERE ARE NO AGENCY PERSONN THE GROUND AND IN CONTACT WITH THE INDIVIDUALS ORIGINATING THE FLIGHTS. THUS, OUR COMMUNICATIONS WITH THE LATTER ARE SLOW AND TENUOUS AT BEST. THIS WHOLE OPERATION HAD TO BE PUT TOGETHER IN VERY SHORT ORDER AND NOW THAT WE HAVE A COUPLE OF DAYS TO PLAN THE NEXT SORTIE, I THINK WE CAN ASSURE YOU AND YOU IN TURN CAN ASSURE [redacted] THAT THE NEXT SORTIES WILL GO MORE SMOOTHLY AND IN LINE WITH [redacted] REQUIREMENTS.

3. EQUIPMENT ON BOARD IS INDEED SPARES FOR THE OIL INDUSTRY BUT THAT IS NOT TO SAY THAT IT MAY NOT ALSO HAVE SOME SPECIALIZED MEDICAL EQUIPMENT OR SUPPLIES MIXED IN WITH IT. [illegible] SIMPLY CANNOT UNDERSTAND WHY THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MILITARY EQUIPMENT, BUT PERHAPS THAT IS WHAT [illegible] THOUGHT HE WAS TRANSPORTING.

4. I AM VERY INTERESTED IN THE POSSIBILITY OF USING [illegible] IN [redacted] FOR AT LEAST ONE OR MORE OF THE NEXT [illegible] SORTIES. CAN [redacted] ASSIST US IN ARRANGING FOR THE USE [illegible] THIS FIELD?

A

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5. ALL HERE VERY MUCH APPRECIATE YOUR EFFORTS OVE[illegible] PAST WEEKEND ON THIS VERY IMPORTANT OPERATION. YOU MAY [illegible] [redacted] THAT THEIR COOPERATION IS NOT LOST ON HIGH L[illegible] AUTHORITIES HERE. FINALLY, I ASSUME FROM REF B THAT OUR AMBASSADOR IS FULLY WITTING OF THIS OPERATION. PLEASE CONFIRM SO THAT I MAY ADD HIM TO THE BIGOT LIST AND INFORM THE NSC. BEST REGARDS AND THANKS.

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Special Flights
Since Nov 86

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…er provisions of E.O. 12356
…Johnson, National Security Council

5135

#	Ref	Description	Date
[redacted]			
		Delivered Equipment To Tehran*	[illegible]
		Personnel To Tel Aviv*	[illegible]
[redacted]			

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DO… 26030

(S-3/2) [redacted]

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#9

[redacted]

[illegible]

[redacted]

[illegible]

[redacted]

F10

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under provisions of E.O. 12356
by [illegible] National Security Council

3 3C 2/4

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[illegible]

[redacted]

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Reimbursement

[redacted]

A summary of [illegible] [redacted]
said that the following fund
has not recorded in payment to [redacted]

[redacted]
$127,000.

Lake Res....

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by K. Johnson, National Security Council

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HSITS-100/87

CIA AIR BRANCH DEPUTY CHIEF

DEPOSITION OF [redacted]

Friday, June 19, 1987

UNCLASSIFIED

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

4148

The Committee met, pursuant to call, at 9:00 a.m., in Room 2226, Rayburn House Office Building, with Patrick Carome, House Select Committee, presiding.

Present: On behalf of the House Select Committee: Patrick Carome.

On behalf of the Senate Select Committee: Timothy Woodcock.

On behalf of the Witness: Rhonda M. Hughes, Legislative Counsel, Office of Congressional, Affairs, Central Intelligence Agency and Phyllis Prorost McNeil, Central Intelligence Agency.

Partially Declassified/Released on 1-5-88
under provisions of E.O. 12356
by N. Menan, National Security Council

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Whereupon,

[redacted]

having been first duly sworn, was called as a witness herein and was examined and testified as follows:

EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q Just for the record, my name is Patrick Carome. I am staff counsel to the House Select Committee to Investigate Covert Arms Transactions with Iran. Our committee has been set up to look into the Iran affair, and U.S. support for the contras as well.

Our committee is constituted pursuant to rules and a resulution which the Central Intelligence Agency has been provided with. For the record, I am now providing you with copies of each of those items. It may be that part way into this deposition this morning an attorney from the parallel Senate Committee will be joining us, and he may also be asking some questions.

If at any time there are any questions that I ask you that you don't understand, please don't hesitate to ask me to clarify it. I would like to help you out in any way I can on that score.

Why don't we begin by your telling me your name and your current position?

A My name is [redacted]

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PAGE 3

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TOTAL

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[redacted]

Q I take it [redacted], at one time you were deputy chief [redacted] at CIA headquarters; is that right?

A Yes.

Q During what period of time were you in that position?

A About '84 to '86.

Q Do you know the months when you began and ended there? I wonder if you can be more precise with the time frame.

A I don't recall precisely. It was mid '84 to when I departed in January of '87.

Q So through all of '86 you were deputy chief [redacted] [redacted] is that right?

A Yes.

Q I take it at that time you would have reported to [redacted] is that right?

A [redacted] was -- there were a series of branch chiefs; being the one during most of that time, about a year and a half.

Q In November '85, for example, you were deputy chief [redacted] and [redacted] was chief [redacted]

[redacted] is that right?

A Yes.

Q Turning specifically to the November 1985 time frame, were you at that time aware of an operation involving [redacted] on a mission to Iran?

A No, I was not aware of it.

Q Just so it is clear, it is your testimony [redacted] [redacted] that you, in November ~~1945~~ 1985, heard nothing about a [redacted] flight to Iran; is that right?

A That is right.

Q Did you later learn of such a flight?

A I have heard some hearsay, but nothing precise.

Q When was the first time you heard anything at all about that flight?

A I never heard of a flight to Iran, but I heard of some of our aircraft -- well, actually I couldn't recall anything connected with Iran on any of that, but I heard of some tasking for aircraft.

I was never told precisely what it was, and I could never even-- I could not say that it was to Iran. I never did hear that. Even to this day, I have never heard that said to me directly.

Q Let me just state that our committee knows that on November 24 and 25 a [redacted] plane flew from Tel Aviv to Tehran carrying Hawk Missiles. We knew that [redacted] was involved in that operation. We knew Dewey Clarridge was involved in it, and we know that many people at the CIA either learned of it at the time or later. It is your testimony that you have never learned anything about that flight.

A No, I was aware there was a compartment in what we call the trade-bigoted operation. I was not involved in that at that time. I had other duties at the time. I have never heard -- [redacted] has never consulted to me on that, and other than -- in fact, no one really has ever really alluded to me that the airplane went to Iran.

I can sit here with my imagination and hear the news and stuff and say maybe there is a connection, but I was never briefed or involved in that activity, and that was compartmented as many of our activities are. I will take one; someone else will take one. That period of activity that involved these aircraft, I was not tasked on that.

I never went and questioned those folks on that because that is the policy most of us use. Now, you know, if I hear something in the news and if I hear you say that, and I hear somebody refer to a covert flight, that to me is hearsay. I can't say that it happened. I don't have evidences that that happened.

MR. CAROME: Off the record just a second.

(Discussion held off the record.)

MR. CAROME: Let's go back on the record.

THE WITNESS: The vagueness of something like that -- I can't just come in and tell you that my imagination, or collection of things I might have saw on TV, or comments, -- I ~~can~~ can't tell you I know about that because I don't know about that.

BY MR. CAROME:

Q Putting aside the destination of the flight, did you ever speak to either [redacted] or [redacted] or anyone else at [redacted] about a November flight by [redacted]

MR. MCNEIL: Who is --

THE WITNESS: [redacted]

MR. CAROME: [redacted] I'm sorry.

THE WITNESS: They refer to it, as they often do. They were very busy with some aircraft and -- which is not unusual for anyone to say I have had a busy weekend, or this thing is really tying us up; don't bother us now. But other than that, they did not refer to me other than would be normal, a normal comment by any of our people who pick up these projects that could be anything and say, "Listen, are we really busy for these last few days?"

If I have been gone on TDY or something and somebody comes back and says, "We are really busy working some airplanes. Is there anything I can do to help?" If it is a no, and they went away, and I didn't press and they weren't prone to ask me for assistance, it would go by the board because I would be looking for the next job they had. To me, it would be a natural evolution for them to come and say, "Listen, we had to work two or three days. We are very busy," and I would say, "Need any help?" They would say, no.

I would go on to the next tasking and start working on something else. If it was compartmented or appeared to be very compartmented or bigoted, I would not press them for information.

Q Are you saying you had such a conversation with them at the time they were working on this flight?

A I didn't say I did, but I would recall that would be the natural trend of things that would happen because that would have been no more unusual than dozens of other taskings that we do from various customers.

Q Do you have a specific recollection about the time when [redacted] and [redacted] were working the [redacted] [redacted] flight I am talking about?

A I have a specific recollection when I believe the case was, and I came in on a Monday morning or whenever it was and said, "God damn we have really been busy." I said something like why didn't you call me. I could have helped.

They said, "Don't talk about it." Okay, fellows, what next?

Q Who did you speak to that Monday morning?

A Probably [redacted] and I work closely. But [redacted] says -- if that was the weekend, if that was the period of time you are alluding to, I cannot even verify that that was the same activity. But I remember we were very busy, and I responded to it, and he says he didn't want any assistance, so I went on to other things.

Q Were you aware [redacted] came up that Monday.

A [redacted] used to come t[redacted] once every week, once every two weeks. He was there frequently.

Q You can't place them at headquarters that day; is that right, that Monday.

A I couldn't differentiate that Monday from any other Mondays or other days that he came because [redacted]-that was part of his job was to come up and talk and consult with people and do his work.

Q Were you aware [redacted] had moved weapons in November? Putting aside the destination, just that they had moved weapons.

A No. Because I was peripherally asked to help [redacted] I didn't get into the close details of the management.

Q You are not aware of [redacted] having moved weapons on November 1985; is that right?

A It would be impossible for me to verify something like that. I couldn't state that I was aware of moving weapons during November. I don't recall an incident, and I don't recall being involved where I was tasked or knowledge of an airlift or a cargo or any involvement with a transaction like that.

Q This Monday that you recall coming in and [redacted] telling you it had been a busy weekend, I take it you were not in headquarters at all that weekend. Is that right?

A Usually we worked Saturday mornings, and I don't recall -- it was commonplace for us to work Saturdays, but I don't recall that weekend whether I worked that Saturday or not. If I did, I wasn't aware that they were working on something else. But then that would have been common place, too, for people to be very busy on one thing or another, and I could be taking care of my work and not really be too involved in their work on a Saturday morning.

Q Were you aware that [redacted] had been involved in a mission in support of the National Security Council Operation at that time; that is November 1985?

A No, I wasn't. I wasn't aware of any involvement with the National Security Council. At least no one told me National Security Council interest was involved in any of our airlifts.

We work with many divisions on assisting them with air support. Usually I am talking to a representative of one of the agency divisions. It is not necessary for him to tell us all of the other involvement. He is talking to us about moving an airplane from point A to point B, can we do that or can't we, and how much can it carry and what is the flight plan involved, and that sort of thing.

But that is the support function that we serve. I have learned I don't have to ask questions about the other things, and it is best not to. So I was not aware of any national security involvement in anything that I did.

Q During the period of 1986, when you were still Deputy Chief [redacted] were you aware of any [redacted] activity in support of any movement of arms to either Israel or Iran?

A No, I was not aware, and I could never have been specifically told any aircraft I was asked to position or support that either one was a destination.

Q Were you involved in any facilitation of pick-ups of weapons cargo bound for the Middle East from U.S. air bases even if it didn't involve a CIA airplane?

A I have helped schedule airplanes to the position at an air base. I wasn't involved in the destination or the planning of that, but I am sure that I helped myself and delegated my subordinates to work with people to position airplanes for customers or different authorized agency users. But I have never knowingly, or no one has ever told me I was positioning an airplane to deliver arms to Israel or Iran, and whether that was kept from me intentionally, or whether that went over my head, but for doing my job at the time of positioning an airplane, that didn't come up. I didn't need to know that, and I probably didn't ask that. If it was a situation where I was working with an authorized user, that was his job; that wasn't mine. I put airplanes in places, order them and make sure they fly safely.

Q Were you involved in any facilitation of Southern Air[redacted] Transport planes making a pick-up in the United States?

A I recall one time that we were consulted on how to position a commercial airplane in an Air Force base.

Q What Air Force base was that?

A Kelly.

Q That is in Texas; is that right?

A Yes.

Q This matter that you are discussing involved Southern Air Transport; is that right?

A That was -- yes, that is right.

Q Who tasked you to work on that matter?

A That probably came down to our own chain of command of our special activities section as most tasking is, and we were directed to go through an -- I think it was probably can you -- what do you need to do to position an airplane at an Air Force base.

Q Who asked you to work on that?

A If it was not the chief, it was [redacted] who would be my next chain of command.

Q What time did this occur?

A Oh, God!

Q Was it February 1986?

A I thought it was later than that. It could have been about that. I can't specify exactly when it was, but it was, it could have been about that time.

Q Is that the only time you remember working on a matter that involved Southern Air Transport planes.

A Yes. Because we never considered Southern Air Transport as a good commercial company to go to anyway.

Q Why is that?

A They were somewhat tainted from their involvement in the agency years ago, and we didn't think that was good practice to use them.

Q Are you saying their cover could have been broken earlier, and it was a mistake to use them again?

A No. They were a straight commercial company, have been for years. What we understood is that 15 years or so ago Southern Air Transport was associated with the agency and that had long been absolved and they were a stray commercial company, but still the newspapers occasionally refer to them as a one-time agency and involved company. So we always considered that was not good practice to use a company that had that taint to it.

Q What did [redacted] do in connection with these flights by Southern Air Transport?

A As I recall, on that one-- and I think I assisted on that one because for a commercial aircraft to land at an Air Force base you must show the Air Force that you have insurance; that you have your aircraft registered; that you have an air worthiness certificate; that your pilots are all licensed pilots and insured, and you have to show those documents to the Air Force, and you have to have a-- what is called prior approval to land.

If you have those things, and usually the prior things I mentioned, results in an approval to land at an Air Force base because you have stated the things the Air Force needs to do that.

In this case, I recall saying these are the things that that airplane has to have, and you have to go to the air base representative and request approval, and he will ask you these things, show those things that need to be there. You have a s[illegible]porting chance of landing there.

Q Who did you give that information to?

A I think I gave that to [redacted]. I was talking to my immediate management, and I think I gave that back to him and said these are the things that you need to do to land at that base.

Q What do you understand [redacted] did with that information?

A I don't know exactly which customer he was working with, but I assume he gave it to the people who needed the airlift.

Q You knew of the involvement of Southern Air Transport, did you not?

A Yes. Because at that time that was one of the L-100's, and I was aware they wanted that kind of an airplane and that that was the one. So we advised them of the specifics of legally moving aircraft.

Q You did not suggest Southern Air Transport be used, I take it, is that right?

A We don't recommend that.

Q Someone else said Southern Air Transport is going to be involved, and they need to land a plane at Kelly; is that right?

A Yes.

Q It was [redacted] who probably told you that or [redacted]

A I can't recall specifically they told me that, but I was tasked to find out. My chain of command is [redacted]

[redacted], and was [redacted]

Q Other than finding out this information about what needed to be done to land a commercial plane at an Air Force base, what else did you do in connection with that flight?

A I couldn't recall. Usually when anything like that comes up, I keep a little file on it and list telephone numbers of people involved and the activities, the ongoing things, action required, and in that case I don't recall doing much more than advising people on how to move an aircraft.

Q Did you advise anyone outside the agency on how to move an aircraft?

A I don't think so. It would be unusual for us to do anything like that.

Q So you were not in touch with the Southern Air Transport people or whoever it was that was trying to move something by Southern Air; is that right?

A No, in that case I don't recall talking to anyone at Southern Air Transport. I had no contacts in Southern Air Transport personally.

Q Were you aware that that was a matter relating to a National Security Council operation?

A I was not aware -- I have never been told any of the aircraft airlifts were associated with the National

Security Council because in all my dealings, no one ever mentioned National Security Counsel. I hear the news now. I keep hearing National Security Council being involved, but during the busy work day, I was never advised that I was assisting or this was for them, so therefore I don't know that.

Q Do you have any knowledge concerning a May 1986 flight by [redacted] carrying United States officials to Tel Aviv?

A No. I did not. I am not aware of any of that except I publicly heard officials were carried somewhere, but I have no knowledge of any agency involvement in that and I did not have any involvement in that I was aware of.

Peripherally, I assisted somewhere in a support activity I wasn't aware of it.

[redacted]

Q Did [redacted] to your knowledge ever work on an [redacted] matter with Dewey Clarridge?

A We have worked with so many people -- in a support activity that we probably work with every division and every component of the agency. Dewey Clarridge has been chief of several divisions. It would be most likely we would work with him frequently-- not frequently, but occasionally, I will say. So I would say I can't think of a specific case right now where [redacted] worked with Dewey on an air support activity, but we all know Dewey and over the years we have worked with Dewey. But right now I can't give you, unless you refresh my memory, I can't think of a specific case where I could just tell you.

Q Mr. Clarridge was involved in the November 1985 [redacted] flight that I questioned you about at the beginning of this deposition. Were you aware that Mr. Clarridge was involved in that act?

A I didn't support Dewey on that. I didn't respond to any requirements to Dewey --

Q Did you know that on that matter [redacted] was in touch with Mr. Clarridge?

A No. If he was in talking with Mr. Clarridge on that matter, it would have been just one more of many matters that were involved in and wouldn't have been a very enlightening thing for me to focus my attention to anyway other than it is just one more customer we are working with. So if he would, in passing, say that to me, it would -- you know, I didn't regulate those things.

Q Have you ever met Oliver North?

A There was an occasion where I thought I had met him in passing because someone later says we met that fellow one time, and I say I don't recall meeting him, but

I say if that was the case -- but he can't verify it other than that.

Q When was the time that that might have happened?

A It must have been five years ago or something. We were stopping by somebody in Fairfax or somebody and I stopped and said hello and shook some hands and went on my way and someone later was saying because of Ollie North's publicity, he said I think we have met him. I have never done business with him. I have never done professional business with him.

Q Who was this other person?

A I think it was one of the [redacted] guys about three years ago. I can't recall -- some of our officers were there. I can think of the name later maybe if it is important to you.

Q I am not sure that it is. Was this a social gathering?

A No, it was in passing, just as you meet some friends outside going to lunch, you shake hands and you go, pass and go. It is a very, very casual thing.

Q Have you ever spoken to Mr. North on the telephone?

A No.

Q Did you ever see Mr. North at the agency?

A Yes, I saw him at the agency one time.

Q When was that?

A It must have been three years ago.

Q Is that prior to 1985.

A Yes.

Q Who was he with?

A I saw him in the hallway and later on it was another casual passing, and that was connected with the other one, too. It was a case where -- all of these things come up after the fact, and you hear, you know, Ollie is a celebrity, and you go back and say, did you ever see him, and ~~soneone~~ someone says, "Yes. Remember we saw him." But at the time those were vague recommendations somebody reminded you of.

I wasn't doing business with him at the time.

Q Have you ever met Richard Secord.

A Yes. I knew Secord when he was a major in Southeast Asia. I met him on half a dozen occasions in '68, 1968. And since then I have never seen him.

Q Have you ever spoken to him since, on the telephone or otherwise?

o No.

Q Were you aware that this 1985 flight by [redacted] I questioned you about earlier involved Richard Secord?

A Only because of the publicity that has come afterwards.

MR. CAROME: I don't think I have any further questions. Thank you very much for coming in.

(Whereupon, 9:50 a.m., the deposition was concluded.)

UNCLASSIFIED

HSITS-71/87

CIA AIR BRANCH SUBORDINATE

DEPOSITION OF [redacted]

Friday, June 5, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

Partially Declassified/Released on 21 DEC 87
under provisions of E.O. 12356
by [redacted], National Security Council
K. Johnson

The Committee met, pursuant to call, at 2:30 p.m., in Room 2226, Rayburn House Office Building, with Patrick Carome presiding.

On behalf of the House Select Committee: Patrick Carome and Jack Taylor.

On behalf of the Senate Select Committee: Paul Barbadoro.

Also Present: Paul Schilling, Office of Congressional Affairs, Central Intelligence Agency; and R. Bradfor Stiles, Central Intelligence Agency.

[illegible] 21 DEC 87
[illegible]
[redacted] [illegible]
K. Johnson

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UNCLASSIFIED

Whereupon,

[redacted]

having been first duly sworn, was called as a witness herein, and was examined and testified as follows:

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q [redacted], for the record, my name is Pat Carome. I am a staff counsel with the House Select Committee to Investigate Covert Arms Transactions with Iran.

Also present is an investigator from our staff, Jack Taylor; and the Deputy Chief Counsel of the parallel Senate Committee, Paul Barbadoro.

It may be that another attorney from our staff will be coming in, I'm not sure.

Both the House Committee and the Senate Committee were established pursuant to resolutions, and each Committee has various enacting rules and procedural rules.

The CIA was provided with copies of both the resolutions and the rules and I have now given you a set of those as well just so that you will have them. This deposition is being conducted pursuant to those rules.

If you could begin by simply stating your name and telling us very briefly your educational background and the positions which you've held.

A Okay. My name is [redacted]

Q And that takes you up to where?

A That takes me up to 1985, at which time I became staff employee of the Central Intelligence Agency. [redacted]

[redacted]

Q And what position did you take at that point?

A I came into the Agency as a staff officer with [redacted]

Q And did you have a specific title within the [redacted]

A I was initially Deputy Chief of [redacted] [redacted] and then later assumed the Chief of [redacted]

Q When did you become Chief of [redacted]

A September, October '85.

Q Just a month, month and a half after you became Deputy Chief?

A Uh-huh.

Q And what is your current position at the Agency?

A I'm Deputy Chief of [redacted]

Q And so -- that's a promotion from the position that you had in November?

A Uh-huh.

Q And when did that promotion occur?

A November '86, I believe.

Q And between September, October '85 and November '86, the position which you held was Deputy Chief of [redacted] of [redacted]

A And later Chief of [redacted]

Q And when did you become Chief of [redacted] -- so there is a second promotion in there that I'm missing?

A There was a [redacted].

Q And when did that [redacted] take place?

A July '86.

Q All right.

The time frame that -- at least initially I'm most interested in focusing on right now is the November 1985 time period.

A Okay.

Q At that time, the position which you held was Deputy Chief of [redacted] [redacted] is that right?

A Chief of [redacted]

Q Chief of [redacted] at that time.

A Uh-huh.

Q Who did you report to at that point?

A My rating official was Chief of [redacted]

CHIEF (c)

Q And is that [redacted]?

A Yes.

Q That was his position at the time?

A Yes.

Q And how do you spell his last name?

C

A [redacted]

C

Q And to whom did [redacted] report at that time?

A Chief of [redacted]

Q And was that [redacted]?

A Yes.

Q And is it correct that [redacted] then reported directly to [redacted]?

A Yes.

Q And what was [redacted] position at that time?

A I'm not sure of the alphabet soup, but I believe it was Chief of [redacted]

Q Now, at that time, am I correct that you were the person within [redacted] primarily responsible for dealing with the CIA's proprietary airline [redacted]

A Yes, I was basically charged with the responsibility of interface and care and feeding of [redacted] proprietaries, [redacted]

[redacted]

Q If you could just explain a little bit how this interfacing and care and feeding worked between yourself [redacted]

A As the Chief of [redacted] making sure that the proprietary was properly [redacted]

Pages 8 to 12

DENIED IN

TOTAL

[redacted]

Q So as a norm, if the -- if [redacted] were to handle a commercial flight into Iran, you would anticipate receiving a report on that activity; is that right?

A Yes.

Q And what would -- strike that.

Would the proprietary seek permission from [redacted] to handle such a flight?

A Yes.

Q And who would be responsible for making a decision as to whether or not such a flight could be made?

A Depends on the sensitivity of the flight. If it were determined to be a nonsensitive type thing and/or disapproval was contemplated, that could go at that time as low as Chief of [redacted]. If it were determined to be sensitive, then Chief of [redacted] had the responsibility of forwarding that to the Chief of [redacted]. At that time, it was [redacted] or [redacted], you've got written.

Q One or the other, but in any event, that's [redacted] position.

A Yes. And then he had the responsibility of seeking additional approval.

Q In any event, a decision like that would be made at a level above yours; is that correct?

A [redacted] did you do anything to prepare for this deposition before coming here today?

A No, with the exception of reviewing what records I had.

Q And could you tell me what records you have that you reviewed.

A The records that I had are bills that I made a memo of when we started looking into this about January or November of this year -- last year, and the memorandums that we have on file of the records of the propietary manager.

Q Do you have those with you today?

A Yes, I do.

Q Could we take a quick look at them to see if there's anything there that we don't have?

A Sure.

Q Am I correct that in here are all the records that you looked at --

A Uh-huh.

Q -- before this deposition.

A You've got it.

Q [redacted] I take it there came a time in late November 1985 where you learned about a requirement to move something in the Middle East area; is that correct?

A Yes.

Q Could you tell me what that requirement was.

A The requirement's originally stated on a Friday afternoon. If I could have my records back, I'd tell you what date.

Q Why don't we let [redacted] look at his records?

Mr. BARBADORO. Sure.

BY MR. CAROME:

Q What date was it that this requirement was first learned by him?

A Twenty-second of November.

Q And what happened -- strike that.

How did you first learn about this requirement?

A Sure. The Chief of [redacted] asked for a determination of commercial contractors that would be able to move an unknown quantity of material from somewhere in the Mediterranean to somewhere [redacted] or vice-versa. I'm not sure of the exact requirement at the time.

Q Who is it that is telling you that this requirement exists?

A Chief of [redacted]

Q And his name is?

A C [redacted]

Q And what time of day is it on November 22 that C [redacted] comes to you the first time with this requirement?

A Mid- to late afternoon.

Q And is this the very first time you've heard about this matter -- is that the very first time you'd heard about this matter?

A Yes.

Q You didn't learn about it from anyone else earlier?

A No.

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Q And what exactly did [redacted] say, to the best that you can recall, about the nature of the material to be moved from one place to another?

A Bulky, heavy, long, would be most appropriate for loading on a 747 type airplane, that could be loaded from the front.

Q Did he tell you anything else at all that you can remember about the nature of what was to be moved?

A No.

Q He didn't tell you it was military equipment of any sort?

A No.

Q And you didn't know it was military equipment of any sort at that point?

A No.

Q At that point, did he give you dimensions of the --

A Not initially. The dimensions didn't come up until it became improbable that we could locate a commercial carrier and he asked if it were possible to be carried on our 707, i.e., [redacted] 707.

Q Okay. I want to go step by step here as much as possible to try to get the facts laid out chronologically as best we can.

This first conversation with C [redacted] What else did he -- he also talked to you about point of origin and point of destination; is that correct?

A Point of origin was nonspecific. To the best of my understanding, it was from the Mediterranean to [redacted] destination.

Q Did C [redacted] at that point tell you who told him of this requirement?

A No, not at that point.

Q Did you later learn that it was Mr. Clarridge whom he was dealing directly with?

A I learned that it was originating from Mr. Clarridge.

Q Did C [redacted], in this first conversation with you, tell you who it was who wanted to move material from point A to point B?

A I was told it was the NSC.

Q Did he tell you who within the NSC wanted it done?

A No.

Q Did he tell you that it had White House approval?

A No.

Q Did he say anything at all about who approved it?

A Not at this point.

Q But you have a clear recollection that in this first conversation, he said that it was the NSC that wanted this done; is that right?

A Yes.

Q Was there any discussion of how many pieces were to be moved?

A Not at this point, no.

Q You had no idea at that point how many pieces?

A No.

Q You said that it was mentioned that a 747 was preferred. Did you understand in this first conversation that a 747 would be sufficient to move everything that needed to be moved?

A Yes, sir.

Q Was it c [redacted] who suggested a 747?

A Don't know.

Q And can you be any more precise with the time of day that this conversation, this first conversation

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with [redacted] took place?

A Not at this point. Late afternoon, bracketed somewhere between 3:00 o'clock and 5:00 o'clock.

Q And was anyone else present during that conversation?

A Not to my knowledge.

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Q Now there -- [redacted] at that time, had a deputy chief; is that correct?

A Yes.

DEPUTY CHIEF (D.C)

Q And his name was [redacted] is that right?

A Uh-huh.

Q And do you have a firm recollection of

DC

[redacted] not being present during that first conversation?

A No, I don't.

Q He may have been?

A May have been.

Q Is there anyone else who might have been present during that conversation?

A No.

Q How did that first conversation last, as best you can recall?

A Probably about 10 minutes.

Q And where did it take place?

A Within [redacted] Headquarters.

Q And that's at Langley; is that right?

A Yes.

Q And is C [redacted] office in close proximity to your own or was it at that time?

A It sure was.

Q Did it take place -- did this conversation take place in either yours or his office?

A It is all one big room.

Q Okay. And it took place in that one big room.

A Yes. He has a corner of that room, somewhat subdivided, but I don't know whether it was at my desk or his desk.

Q What happened after that first conversation; what was the next thing that happened on this front?

A We -- we, to the best of my knowledge, I thought about it for a while; I attempted to contact a couple of [redacted] commercial concerns.

Q Who did you contact?

A I said "attempted to contact." I didn't get ahold of anybody.

Q Who were you trying to contact?

A I don't think that is germane to this discussion.

MR. SCHILLING. Could we go off the record for a second.

(Discussion off the record.)

MR. CAROME. Back on the record.

BY MR. CAROME.

Q What types of organizations was it that you were trying to contact at this point?

A Contractors that we'd dealt with previously.

Q And are these proprietaries?

A No.

Q These were nonproprietary air carriers; is that right?

A Yes.

Q And did you make telephone calls to either one of these two --

A I made a telephone call to one of them and found that [redacted] was not present and did not go any further and being that the second one we were not as close to and had not used as much, I didn't feel comfortable giving them that requirement, being that it was somewhere to somewhere to haul something.

Q So for this second contractor, you thought about possibly using them, but decided not to even make a first call to them. Is that right?

A Sure.

Q And were both of these two contractors being contacted because you thought that they might have 747 aircraft?

A Access to them or could broker 747s.

Q There's one aspect of the initial conversation with C [redacted] that I wanted to -- want to go back to and cover.

Did, in that first conversation C [redacted] tell you anything about timing? Was it presented to you as an urgent requirement?

A It was implied that we need to do it immediately.

Q After you have contacted or attempted to contact this one contractor, what did you do now?

A Reported to C [redacted] that I didn't think that we could do this. We did not have the resources to do this.

Q And did -- had you at that time considered the possibility of [redacted] as a carrier that could be used for this operation?

A Personally, no.

Q You had felt, after you had considered these two contractors, that you had exhausted your resources, and it looked like there was nothing that [redacted] could do to help out?

A That's right.

Q At about what time of day was it that you communicated that to C [redacted] as best you can recall?

A To put it in a perspective of the time frames I gave you before, it would be an hour or so after I was initially contacted, so that would put it around 4:00 o'clock in the afternoon.

Q What happened after you communicated that to C [redacted]? Did he then do something?

A I believe he went -- either called on the secure phone or went upstairs to talk to whoever he was in contact with.

Q At this point, do you know who it is that he's dealing with?

A No, I don't.

Q You haven't seen him talking to Mr. Clarridge, for example, at this point; is that right?

A No.

Q What was it that C [redacted] did during this hour period when you were attempting to see if you could locate a contractor? Do you know?

A No, I don't.

Q You two were in the same room; is that right?

A He's back in his corner again.

Q But you don't know what he was doing?

A No, I don't. I can't track him and try to do something else at the same time.

Q When C [redacted] went upstairs to talk to someone, what happened next?

A He came back and suggested that we try to see if this would fit on our proprietary 707, asking for dimensions. He made a secure call, to the best of my recollection and obtained the dimensions after about 15 or 20 minutes.

Q Who did you understand he made a secure call to?

A I don't know.

Q But you do recall that it was on a secure line?

A Yes.

Q And he must, therefore, have been calling someone outside of the Agency; is that right?

A Wrong.

Q He could have been calling someone inside the Agency?

A Definitely.

Q Do you recall whether you thought at the time he was calling someone inside the Agency or outside the Agency?

A I don't have any way of knowing.

Q Did he ever tell you who it was he called?

A No.

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Q At this point, has [redacted] told you anything more about the nature of the cargo that is in question?

A When he came back, 15 to 20 minutes later, he had the dimensions and weight of the articles.

Q And what were the dimensions and weight that he gave you, to the best of your recollection?

A I don't have an -- I don't have the exact dimensions. It was, to the best of my recollection -- they were about 3,000 pounds in weight, 16 foot long by about 4 foot squre.

Q I have a document here that I'm going to show you at a later point in the deposition that talks about what seems to be -- I can't tell if it is 80 or 100 pieces, 3,300-plus odd pounds, each measuring 18 feet long by 2-1/2 feet wide by 3-1/2 feet tall.

Does that seem like it could have been the correct dimensions that you were given?

A Pretty well conforms to my memory recollection that I just gave you.

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Q What else did [redacted] tell you at this point about the nature of the cargo?

A I believe that he told me there were something like 50 or 60 of these pieces.

Q Do you have a firm recollection of that number?

A No, I don't.

Q So it could have been 80; it could have been 100 for all you know or --

A To the best of my recollection, it was given 50 to 60.

Q All right. And this is C [redacted] who's telling you these numbers; is that right? ✓

A That's right.

Q Is anyone else present during this conversation?

A I don't know.

Q Is it possible that DC [redacted] was there?

A It's possible, sure.

Q But you don't have a recollection of him being there?

A No.

Q Did you ask C [redacted] "What are these pieces"?

A Nope.

Q Were you curious?

A Nope.

Q Did you think that it was pertinent to the requirement to know this? Am I correct that it is your position that that's pretty much the most you ever learned about the nature of these pieces?

A Yes, to this date.

Q To this date, you've never gotten any other information beyond weight and dimensions; is that what you're saying?

A Not what I consider any more reliable than The Washington Post.

Q We may come back to what other things you've heard about these things, but I'm going to try to keep going with the story.

A Sure.

Q Let me ask you this: Are there other air requirements that you have handled during your time at [redacted] where you had no idea what the cargo was?

A I'm sure there are.

Q Can you give me a for instance?

A There is a considerable amount of cargo hauled that you don't know the exact nomenclature or what it is.

Q Here it is not just a question of nomenclature. What you're saying is that you don't have any idea what this material is, other than its weight, dimensions and volume. Is that a unique situation in your experience?

A No.

Q You can think of other cases where that's the most you've known about the cargo?

A They brought to the airplane; it is a certain dimension, weighs a certain weight and there's no need to know what's inside the box.

Q What about in a situation where it's a major shipment, which, obviously, this was. I mean, this was a large shipment by your standards, wasn't it?

A Yes.

[redacted]

Q And again, you don't think it was important for you to know the nature of the requirement to handle what you were being asked to do here?

A No.

Q After C [redacted] -- strike that.

Just so that we can keep the time table flowing, can you estimate roughly when it is you recall this conversation taking place where C [redacted] is providing you, answering your question about the dimensions and weight?

A 4:00, 4:30.

Q What took place next?

A We passed said dimensions to PROJECT OFFICER (PO) [redacted]

Q Is this your first contact with PO [redacted] on this subject?

A Yes.

Q You hadn't talked to him at all earlier in the day, as far as you can recall?

A I probably talked to him earlier in the day, but not on this subject.

Q You have day-to-day contact with PO [redacted] is that right?

A Yes.

Q But this was the very first time you were talking to him about this material that we've been talking about; is that right?

A Yes.

Q And what did you say to PO [redacted]

A I gave him the dimensions, asking if we could get that in the side door of the airplane, how many could go on the airplane and were the 707s available.

Q Just to fill in a few of the details, at this point, PO [redacted] is [redacted] is that correct, at [redacted] [redacted]

A Yes.

Q Is that where you called him?

A Yes.

Q [redacted]

[redacted]

A [redacted]

Q

A

Q So at the time, you had to be cautious about what you were saying over the phone; is that right?

A Sure.

[redacted]

Q And what did you tell [redacted] about what it is that needed to be done in this first phone call with him?

A As I have stated previously, will it fit on the airplane, this article dimension, how many will fit on the airplane if the answer to the first is positive, and are the aircraft available? Are they in flyable maintenance condition and not employed thus far?

Q Did the question of where the point of origin was and where the point of destination was for this requirement discussed in this first phone call?

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A I don't recall; it may have been passed somewhere [redacted] to somewhere in the Mediterranean or vice-versa.

Q But at this point, you haven't learned anything more about point of origin or point of destination than what you heard from C [redacted] in the first call; is that right.

A That's right.

Q At this point in time, around the time when you're making the first contact with PO [redacted] are you now witting of the fact that C [redacted] contact, the person he's dealing with on this, other than you, is Mr. Clarridge?

A That's what I understood from C [redacted] yes.

Q Did he tell you that?

A I believe so.

Q Do you know if C [redacted] ever dealt with anyone else on this matter over that whole weekend?

A I don't.

Q You don't know of anyone other than Mr. Clarridge; is that right?

A That's right.

Q Did DC [redacted] get involved at all, either this time or at any point over the weekend that you can recall?

A Not to my recollection.

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pg 2

Q You don't recall him playing any role at all over the entire weekend on this activity?

A No.

Q What did P.O [redacted] tell you after you described to him what it was that needed to be moved?

A He evidently checked with [redacted] proprietary manager and reported back 15 to 20 minutes later, so it was circa 5 o'clock. He guessed the articles would fit through the door, and I believe he came back with 16 of the articles could be loaded on the airplane, which I guesstimated at the 15 so I accepted face value.

Q Do you at this point understand how these articles are to be packed?

A No.

Q You don't know whether they are in crates or whether they've got sharp edges, or --

A I assumed they were in crates.

Q You assumed they were in crates.

Had you been told they were in crates?

A I don't believe so.

Q Is it the norm for items of that size to be in crates when they are moved on planes?

A Yes.

Q Who was it that you understood PO [redacted] to be getting in touch with that day?

3 A The manager of [redacted] proprietary.

Q And his name is what?

[redacted]

Q Well, that is a pertinent name and we do need that. I will restate the question.

A Sure.

Q After your first conversation on this subject with PO [redacted] who did you understand that PO [redacted] then went and called?

PROPRIETARY MANAGER (m)

A [redacted]

Q And who is he?

A He is the manager -- operating manager -- [redacted]

Q And where does he reside?

A His home is [redacted]

Q Where is the main office [redacted]

A The main offic[redacted] is in [redacted]

[redacted]

4

[redacted]

Q And where were the 707 aircraft usually kept when they were not being used?

A [redacted]

Q That's [redacted]

A Yes.

Q Is that [redacted]?

A I believe so.

Q m [redacted] understood that [redacted] was a CIA proprietary; is that right?

A Yes.

Q Were there others [redacted] who were also witting of that CIA connection?

A No.

Q He was the only one?

A That's right.

Q None of the pilots knew, as far as you know?

A As far as I know. They may have thought it was, but no one had been briefed that it was CIA-owned.

Q Do you understand that when P.O [redacted] made that first call to m [redacted] on the subject of this flight requirement that he was [redacted]

A [redacted]

[redacted]

Q And you understand that they were communicating by phone, or were they communicating in person at that time?

A By phone.

[redacted]

Q What happened after this first phone call you had with PO [redacted] what was the next thing that happened on this matter?

A There was a response back from PO [redacted] that it would fit and the aircraft were available.

Q And what did you do next?

A I passed that to the Chief of C [redacted]

[redacted]

Q About what time of day? This is still on Friday; is that right? Friday the 22nd?

A Yes.

Q And about what time of day is it that you get the word back from PO [redacted] that the --

6 A 5:15 or 5:30, somewhere in that area.

Q And the word comes back that [redacted] 707's are available; is that correct?

A One 707 is immediately available, [redacted]

Q Do you understand where it was that the plane was going to be at that time?

A I don't believe so.

Q Which plane was it that was immediately available? The foreign registered plane or the U.S. registered plane?

A U.S. registered.

Q And where did you understand that plane to be located at that time?

A [redacted]

C

Q You then informed [redacted] plane was immediately available; is that right?

A Yes.

Q And you told him that [redacted] plane might be available but it wasn't clear of that yet?

A That's right.

Q And what happened at that point?

A He disappeared.

Q Did he go home for the day?

7

A No.

Q What do you understand he did?

A Went upstairs. Everything's upstairs in relation to [redacted]

[redacted]

Q Did you understand that C [redacted] was going to talk to Mr. Clarridge at that point?

A I don't know. I don't know who he talked to.

Q Was it your understanding that it was probably Mr. Clarridge whom he was going to see?

A Again I don't know.

Q But at this point you know that he's been dealing with Mr. Clarridge and you don't know anyone else he's dealing with; is that right?

A That's right.

Q And how long was C [redacted] gone, as best you can recall?

A Fifteen, 20 minutes.

Q Do you at this point ask C [redacted] if he knows anything more about the cargo?

A Somewhere in this time the 50 to 60 came up, and also the destination of the aircraft, or the unload of the

8

aircraft would proceed to unload the articles came to be initially Tel Aviv -- well, Tel Aviv, yeah.

C

Q I just want to get this straight. [redacted] at some point in this time frame, told you that it's 50 or 60 pieces; is that right?

A To the best of my recollection.

PO

Q Did you know that before you called [redacted]

A No.

Q But you still thought that you might need two planes, so you talked to him about two planes; is that right?

A If we're talking about a 747 requirement and then we break that down into 707's, it's fairly obvious that we're going to need more than one plane.

Q I thought the reason that you needed the 747 was the size of each individual piece.

A Ergo, also the ability to get those pieces on the 707.

Q But what made you know in that first phone call that you needed more than one 707?

A I'm not sure I knew I needed more than one 707.

Q But you asked specifically about the availability of two planes?

A If you're going to make a phone call, you might as well get all your answers done in one phone call.

C

Q And what did [redacted] tell you about the pickup

9 point?

A It was to be Tehran -- or, not Tehran, Tel Aviv.

Q He told you that? All the material was to be picked up in Tel Aviv?

A Uh-huh.

Q And he told you that you think after your first call to PO [redacted]

A Yes.

Q Did he tell you that after he came down from going upstairs with the news that [redacted] planes would be available?

A I don't recall when he specifically came in.

Q Did you know at this point how many planeloads 50 or 60 items of this sort we're talking about would be required?

A If we talked with the 50 or 60 items and you take either PO [redacted] or my estimate of 15 to 16 per plane comes up to three planes.

Q Or perhaps four planes; is that right?

A Yes; but definitely three airplanes.

Q And had you made that calculation at the time when you were aware that perhaps there would be a need for three flights?

A In this time frame, yes.

Q And we're still talking about the late Friday time frame; is that correct?

10 A Uh-huh.

Q After PO [redacted] -- I'm sorry -- strike that.

After C [redacted] comes back downstairs, after providing the news about the availability of [redacted] planes, what happened next? Did he speak to you again?

A Armed with the availability of the aircraft and the fact that the cargo would fit on the aircraft, then he spoke to me that we would make the aircraft available as a strict commercial charter to a Mr. Richard Copp, and that Mr. Copp would be in contact with our proprietary manager.

Q What did C [redacted] mean, or what did you understand he meant when he said that the aircraft would be made available as a strictly commercial matter?

A That they would not be CIA-sponsored.

Q What does that mean? Obviously, you've been in touch with [redacted] -- you've identified them as the carrier. What do you mean it's not going to be CIA-sponsored?

A We identified them as a capable carrier and we passed that to whoever C [redacted] was talking to, and they would contract with [redacted] as a commercial carrier in the same way as they would contract with Pan Am, Trans World, or whoever, along its commercial charter business that we discussed previously.

Q How is that normal from the way a -- strike that.

How is that different from the normal way in which the CIA tasks [redacted] to handle an air requirement?

A If it were a strict CIA requirement, we would give them the requirement, the points of contact, and assist them with the transit of said aircraft into that country, and out of the country, and across other countries.

Q How is that different from what took place here, as you understand it?

A In this case, it was strictly treated as a commercial contact between [redacted] and Richard Copp as the charter ER of that aircraft.

Q Is in your mind one of the key differences the fact that there wouldn't be assistance in obtaining flight clearances and things like that?

A That there would not be a CIA normal command and control of that airplane. The command and control then relegates from the charter to the m [redacted] as the proprietary manager.

Q I may explore this later.

Let me ask you this: Is this situation unique? Has it ever occurred any other time where your office is contacted to get involved in getting [redacted] connected with someone with an air requirement, but then it is handled on what you call a commercial basis?

A This is the first time I know of.

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Q Is it the only time you know of?

A Yes.

Q What happens next? I guess we've gotten to the point where C [redacted] has come back downstairs and has told you that a decision has been made from above to go ahead and use [redacted] is that right?

A To tell the proprietary manager that a Mr. Copp would be contacting him and to provide whatever assistance he could to Mr. Copp.

Q And did you understand who Mr. Copp was at that point?

A No.

Q Had you ever heard the name before?

A No.

Q No.

Q Did you know who General Secord was at the time?

A I am aware of who General Secord was.

Q You were aware of that name?

A Yes.

Q But you finally recalled that the name did not come up at this time?

A Secord?

Q That's right, Secord.

A No.

Q Did not come up?

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A No.

Q What did you do after C [redacted] gave you the message about Mr. Copp?

A I passed that to PO [redacted]

Q Did you call him on the telephone to do that?

A Yes.

Q And what else did you tell P.O [redacted] in that phone call?

A I told PO [redacted] that Mr. Copp asked him to pass to m [redacted] that Mr. Copp would be calling and [redacted] [redacted] m was to provide whatever assistance he could for Mr. Copp in a strict commercial entity, and that this would be -- price and so forth would be negotiated with Mr. Copp.

Q Did you, by the time of this phone call to [redacted] PO [redacted] know what the destination of the cargo was?

A No.

Q You just knew that it had to be picked up in Tel Aviv; is that right?

A Yes.

Q Did you understand where in Tel Aviv it was to be picked up?

A No.

Q You didn't know that it was going to be picked up at a military air site?

A No.

Q What happened after you made that phone call to [redacted] PO [redacted]

A Since our basic responsibilities were done, I packed up and went home. This would make it about 6:00, 6:15, maybe as late as 7 o'clock.

Q Could you mark this as an exhibit?

xxx (Exhibit No. [redacted] 1 was marked for identification.)

BY MR. CAROME:

Q [redacted] I show you what has been marked as Exhibit 1 and I ask if you recognize what that is?

Just for the record, it is a handwritten document dated November 22nd, 1985. It has a number of redactions on it.

A No, I haven't seen it.

Q You have not seen that document before?

A No.

Q Do you recognize that handwriting?

A It could be C [redacted]

Q It could be C [redacted] handwriting?

A Uh-huh.

Q The first line reads, blank, and a substituted [redacted] [redacted] called requesting availability of [redacted] 707|s to move sensitive high priority cargo, and then weight and dimensions are given.

A Uh-huh.

Q Intended pickup and destination was Tel Aviv [redacted] [redacted] and the time of that entry is 1600 hours, 22 November 1985.

PO

Is it possible that this is handwritten notes by [redacted] referring to the phone call that he received from you?

A Sure.

Q Do you believe now that that's what this is?

A I have no idea.

Q Just for the record, and this is directed to Mr. Schilling, I think we are going to need to get an unredacted version of this document. It's CIIN2537.

PO

This document [redacted] seems to suggest that at 4 p.m. on that Friday afternoon, [redacted] was called requesting the availability of the 707's.

Does that time frame -- is that at least consistent with your memory, or does that seem incorrect?

PO

A I think the record will show that I said about 6, or 1615, 4:15, 4:30 I contacted [redacted] with the initial request.

Q But here it's -- there's a reference to a number of pieces and both a pickup and a destination point.

A Uh-huh.

PO

Q Do you recall that you gave that information to [redacted] in the first phone call?

A Not to my recollection.

Q Is it possible that you might have?

A Sure.

Q The language "sensitive high priority cargo," did you use words such as that in your first conversation with PO [redacted]

A Not to my recollection.

Q Would it be --

A Priority was probably sensitive -- I don't know.

Q You don't think you used the word "sensitive," is that you're saying?

A I don't know.

Q You don't know whether or not you used the word "sensitive"?

A This is a record of what he wrote down, well, then, maybe I did. But I don't recall using the word "sensitive".

Q Do you recall in that first conversation giving him a number of pieces?

A No.

Q And, again, you're not sure that you recognize whose handwriting this is; is that right?

A No, I'm not.

Q And to the best of your knowledge, you've never seen this document before; is that right?

A No, I haven't.

You're sure it's dated 22 November '85 up here?

Q Yes.

A Okay.

Q Yes.

Let me read to you a little bit more from this document. It says, "I contacted [redacted]" -- well, I'm not sure that it says "I" so I strike that.

A It says [redacted] contacted [redacted]

Q Is that what it says?

A I believe so.

Q And that would seem to apply to m [redacted] is that right?

A Uh-huh.

Q So it makes sense, if this is someone reporting that [redacted] contacted [redacted] that this is in all likelihood PO [redacted] [redacted] handwriting; is that right?

A Again, I don't know whose handwriting it is. It could be PO [redacted] it could be C [redacted] The reading of the document appears that it is [redacted] PO

Q At any point on that Friday, do you know whether or not C [redacted] ever made any contact with [redacted] PO

A I would imagine he did.

Q You believe that C [redacted] may have also been in contact with PO [redacted] on that day?

A Yes.

Q When did that happen?

A I don't know.

Q What makes you think C [redacted] did contact PO [redacted] that day?

A It would be in consonance in the technicality [redacted] PO [redacted] is C [redacted] -- or C [redacted] is PO [redacted] reporting official. He works for C [redacted]

Q When you made your first phone call to PO [redacted] did that, as far as you know, was that the first time that [redacted] PO [redacted] was contacted on the subject of this flight?

A Correct.

Q So as far as you know, C [redacted] had not called them before then; is that right?

A That's right.

Q And do you know of any particular instances on that Friday, November 22nd, 1985, when C [redacted] contacted [redacted] PO [redacted]

A No.

Q What happened after you communicated -- strike that.

Does this document, Exhibit 1, refresh your recollection that in fact it was about 4 p.m. on November 22nd when the first call to PO [redacted] was made?

A I think that reaffirms that it could be about 4 p.m.

Q Okay.

And when you made the phone call to -- after you made the phone call to PO [redacted] telling him that a Mr. Copp would be getting in touch, what took place next? I believe you said that ended the activity for the day and you went home?

A Uh-huh.

Q And about what time was it that you went home?

A 6:00, 5:30, 7:00.

Q Okay.

Was that the last you heard about this flight activity?

A No, I think it went through the night.

Q What was the first -- strike that.

Do you also understand that C [redacted] went home at around the same time that you did?

A Yes.

Q And when you went home, did you think that that was going to be the last you'd hear about this flight activity, or did you expect to be monitoring it through the weekend?

A I kind of thought it would be the last I'd hear of it being as a strict commercial charter.

Q But in fact it wasn't the last you heard of it?

A No.

Q And what was the next event that occurred with respect to this flight --

A I think it was a basic status report that -- from PO [redacted] for my relay to C [redacted] that Copp had contacted

M

[redacted] and they had consummated their charter and that early next morning, [redacted] [redacted] -- would depart for Tel Aviv. Sometime later in the night a determination was made that a second airplane would also be pulled off [redacted] and moved to Tel Aviv.

Q Why was it that you were getting these phone calls if the CIA was to be dropping out of the picture?

PO

A Since we had initiated, I think [redacted] felt that he had to keep his headquarters informed.

Q So in fact he really wasn't handling it as a strictly commercial matter; is that right?

A I think he was giving us a status report.

Q And when you got the first phone call that evening --

A Uh-huh.

C

Q -- saying that contact had been made with Mr. Copp, did you call [redacted] to let him know that that had happened?

A I believe so.

C

Q And why was that if this was just a commercial matter, why did you feel a need to keep [redacted] informed about what was going on?

A With the allegations that the NSC had asked for this, we could anticipate questions.

Q Did you have the impression that this was a very sensitive and important that the NSC was trying to carry out?

A It had a high degree of priority.

Q So it really wasn't being handled as a strictly commercial matter. There was continuing involvement by [redacted] in monitoring what was happening; isn't that right?

A Only in an information gathering mode.

Q At this point, this is Friday evening, and you're home and you've gotten a phone call. Do you have any knowledge that this movement of material from Tel Aviv [redacted] has anything to do with a hostage release objective?

A No.

Q At any point that weekend or around that same time -- even say through the end of November, did you ever learn that there was a hostage release objective involved in what it was you were doing?

A No.

Q I'm sorry if I'm repeating myself --

A Sure.

Q -- but could you tell me what it is that PO [redacted] told you in the first phone call after you were at home?

A I believe he stated that the first aircraft, the [redacted] registered airplane, or U.S. registered airplane, would move the following morning, [redacted] to the onload point. And that the arrangements had been made for proper payment, and that the -- Copp had asked m [redacted] for the use of the second airplane.

Q What was said about the payment arrangement?

A That it would be billed at the basic rate of 5,000 bucks an hour -- offset for whatever fuel was provided by the customer.

Q Was there a total figure that was anticipated and negotiated?

A I don't believe so.

Q Referring to the first page of what's been marked as Exhibit 1, I'll read a piece of the document. It looks like 1730 to 1800 hours final approval was given, and I was advised that Richard Copp would be contacting [redacted] [redacted] about 2000 hours. This did happen and by then [redacted] knew the second aircraft was not available. Customer agreed to 60K plus expenses and was to arrange -- it looks like fuel and clearances at both ends.

Does the 60K appear to refer to a $60,000 price figure? Does that refresh your recollection as to what [redacted] PO [redacted] told you in the first conversation you had after you arrived at home?

A No.

Q Do you recall a $5,000 hourly rate was to be paid?

A Uh-huh.

Q And what were the other terms, do you recall?

A Offset by whatever landing fees, fuel, and so forth were provided by the customer.

Q Those would be additional costs to be picked up by the customer?

A Yes, or offset if the customer provides the fuel, then the 5,000 bucks an hour is offset for the fuel costs.

Q I see.

Do you have a firm recollection of those being the terms discussed in that phone call?

A Somewhere in this time frame of this recollection. I don't have --

Q Are there other documents that you are aware of that suggest that -- that are helping you with that recollection?

A There's a -- somewhere in those records some sort of a billing document that indicates -- you get for this flight or a future flight of this type what was the billing.

MR. SCHILLING: Can we go off the record for a second?

MR. CAROME: Sure.

(Discussion off the record.)

MR. CAROME: Back on the record.

THE WITNESS: No, this isn't pertaining to that flight.

BY MR. CAROME:

Q [redacted] is there a document in the package of documents that you've brought with you that will help or that relates to the pricing conversation that we were just talking about?

A No.

Q You don't have such a document?

A No, not for this flight.

Q Was it a later flight that you had in mind where there was a $5,000 per hour price negotiated?

A The document in there indicates twelve fifty per hour plus fuel charges and landing charges, which is another way of billing.

Q But that was not for the November flight; is that right?

A No.

Q So you are not aware of any documents which refer to the payment scheme for the November flight; is that correct?

A Not in my records.

Q Did PO [redacted] in this first telephone call to you at home say anything to you other than on the subject of pricing and the fact that a deal had been negotiated with Copp?

A I don't believe so.

Q By this time, of course, he knows that the -- let me strike that.

By this point in time, how many flights are contemplated?

A If the full load is going to be moved, we are up to three flights.

Q And is it your understanding that the plan was to move the full load?

A Yes. Look back at this $60,000. This may be a note of [redacted] if that's who wrote this, to himself, not necessarily what was passed in the reverse order up the chain. This could be a note between him and m [redacted] or a note that he wanted to make.

Q I understand. The mere fact that he's written it down doesn't mean that he told that to you on the telephone; is that right?

A That's right.

Q Do you understand that in this telephone call with PO [redacted] that he's now at home?

A Yes.

Q And, again, these are telephone -- both ends of that phone call are unsecured phones; is that right?

A Definitely.

Q It occurs to me, [redacted] that there's something that happened before you left that I think you told me about in the interview that it might be convenient to raise now. I'm sorry I didn't think to try to re-elicit it before.

Did the subject of whether or not there was a directorate of operations approval come up at any time during end

lt fls

the afternoon of November 22nd?

A Sometime before we passed the approval back t[redacted] PO [redacted] for the contact of Mr. Copp to m [redacted], I queried C [redacted] do we have DDO approval for this flight.

Q And what did C [redacted] say?

A He indicated that, yes, we did. It was ADDO approval.

Q What does that mean, ADDO approval.

A Assistant DDO or Associate DDO. I don't know how it's -- the number two guy.

Q And that's a person?

A Yes.

Q Who is that?

A Mr. Juchniewicz, Ed Juchniewicz.

Q How do you spell his last name just because it's a hard one?

A I don't know.

Q Okay.

So C [redacted] communicated to you that he had spoken to Mr. Juchniewicz to get this approval?

A No, he indicated to me that he had spoken to Mr. Clarridge and Mr. Clarridge assured him he had DDO, or ADDO approval.

Q And that meant that Mr. Clarridge must have spoken

1t starts

to Mr. Juchniewicz. Is that what you took that to mean?

A Yes, sir.

Q Okay, if we could jump back to the first telephone call that you received from PO [redacted] after you went home. About what time in the evening was that? As best you can recall?

A It would be sometime before 10:00 in the evening.

Q And could it have been much earlier than 10?

A Well, I would've got home at -- if I left at 6, 6:30, I would've been home at 7:30 or so, so sometime between 7:30 and 10.

Q And what did PO [redacted] say about the second aircraft in that first conversation?

A I believe he stated that the requirements for the second aircraft had been agreed upon and that the second aircraft would be positioned also to Tel Aviv. Of course, we are not talking specific points over a noncleared line.

Q How are you referring to these points?

A Almost probably as a -- as a location next to the country that so-and-so works in, previous acquaintance.

Q How did you first communicate the point of destination and the point of origin of the cargo to

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PO
[redacted]

A I don't recall.

Q At some point, someone must have told him the actual names and places; is that right, or was there a code that could be used?

A I don't recall. It really wasn't too germane at this time in the fact that the -- Copp and M [redacted] were in firm agreement at that point, evidently, as to where the airplane was going to go.

Q In any event, you somehow communicated to PO [redacted] what the pickup point and destination was.

A It could have been reverse communications at that point, but I believe we communicated to him at least the general location.

Q And what precisely, as best you can recall, did PO [redacted] say would be done with the second aircraft? Where was it; when would it get to Tel Aviv?

A Precisely, it was probably said that it's been [redacted] at its next destination and proceed from there to Tel Aviv.

[redacted]

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[redacted]

PO

Did [redacted] inform you when the second plane was likely to arrive in Tel Aviv?

A I believe he informed me that it was due in there mid-afternoon, noon to mid-afternoon the next day, Tel Aviv time.

Q And when would that be U.S. time?

A Late morning.

Q Late Saturday morning?

A The second airplane you're talking about?

Q Yes.

A Yes. Times are fuzzy. That's a long time ago.

Q I understand and I appreciate your trying.

What else was said in that first phone call, if you can recall?

A This is the first phone call in the evening?

Q That's right.

A I think that was about it.

PO

Q Did [redacted] ever ask you what the nature of the cargo was?

A Nope.

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Q And you never told him anything other than weight and dimension, is that right?

A That's right.

Q After that first phone call -- and you spoke to c [redacted] about that first phone call; is that right?

A I believe so.

Q And in what -- what did you do? Did you merely refer --

A It was probably, "Boss, everything's on track; it looks like it's moving along. The first airplane will be there in the morning. The second airplane tomorrow afternoon."

Q And what did he say?

A "Thanks."

Q Was he at home when you were calling him?

A Yes.

Q Anything else that you can recall said in that conversation?

A No.

Probably a report of the arrival of the first airplane.

Q And did you receive another phone call on the evening of the Friday, the --

A Don't believe so.

Q Twenty-second? No, you don't believe so? That was the only call you received at home? So what time was it that another call came? Is that what the next development was, a phone call?

A Saturday morning, our time.

Q And from whom did that phone call come?

PO

A [redacted]

Q And what did he say in that phone call?

A That the first airplane had arrived and they were commencing loading.

Q Who did he say was commencing loading?

A "They."

Q He didn't indicate at all who it was?

A No.

Q Do you know what airport it was that the plane was at in Tel Aviv?

A I assume it was Ben Gurion.

Q Is that a military airport?

A I think it's a joint-use airport.

PO

Q And did [redacted] say anything about whether or not it was military personnel who were handling the loading?

A No.

Q Do you have a firm recollection that he didn't say that or you can't remember what he said?

A I can't remember what he said.

Q He might have said that.

A Could have.

Q If he said that, would that have sent off a red flag in your mind that this might be something other than a simple commercial flight?

A No.

Q That would not have phased you?

A No. Somewhere in the conversation, as we go through Saturday, incompetents were mentioned.

Q The people who were loading were referred to as being incompetents; is that right?

A Yes.

Q Was anything more said about the people who were loading? Any further description?

A Incompetent and not terribly motivated.

Q Were you told how many people were handling the loading?

A No. Not enough, I believe, was the quote.

Q Were you told that the first [redacted] plane was several hours late in its arrival in Tel Aviv?

A I don't believe so.

Q Nothing about there were problems getting it refueled [redacted] and it got there late?

A No, that came later in a report that is part of the notes that I brought with me.

Q But that was not something that you were told of at the time of the phone call?

A No.

Q Did you go into the office at all over that weekend?

A I don't recall.

Q Well, you got a phone call sometime in the morning; is that right.

A Uh-huh.

PO

Q And that phone call came from [redacted] is that right?

A Uh-huh.

Q Do you recall where you were when you received that phone call?

A No, I don't.

Q You could have been at the office?

A Could have been at the office. I don't think I was.

Q Do you think you may have been at the office sometime over that weekend?

A I don't think so.

Q If you were at the office, would it have been in connection with this activity?

A Saturday is almost a normal duty day in the office.

Q I guess I'm unclear as to what you're saying on your recollection about whether you went in or not. What is your best recollection on the point?

A I don't really recall whether I went to the office on Saturday or not. The reception of phone calls from PO [redacted] wouldn't have been any different being that we did not have secure phones with him [redacted] So whether I was at the office or not would not have been relative to this activity and I really don't recall whether I went to the office or not.

Q Did you ever learn that Saturday morning, and for the better part of the day, that Colonel North was at CIA headquarters on Saturday? No one ever told you that?

A No. Are you telling me that?

Q Well, I believe that CIA vistor records show that he arrived at 9:50 a.m., and was there for the better part of the day.

You don't know anything about that; is that right?

A Right.

Q I think the visitor records show that it was Dewey Clarridge that he was with that day.

That doesn't help your recollection on that point.

A No.

Q Did you speak to Dewey Clarridge at all over that weekend on this subject or others?

A I don't believe so.

Q Are you certain that you didn't?

A At that Ivory-pure percentage, yes.

Q I didn't understand that.

A At the 99 and 97/100ths percent Ivory-pure percentage, yes.

Q You didn't speak to him on the phone; you didn't see him. That's what you're saying?

A To the best of my recollection.

Q That goes for Friday as well, Friday the 22nd of November?

A Yes, sir.

Q Are all of the phone calls that we've talked about to date -- I guess we've only talked about two since you've gone, are both those phone calls initiated by PO [redacted] to you?

A I don't know.

Q It's possible that it was you calling him?

A I could have called him and asked him what the status was.

Q And the reason you were doing that was because this was an NSC-requested requirement, and therefore, you wanted the monitoring; is that right?

A I wanted to be ready to answer a question should it come up.

Q Are you aware that there was some question on Saturday morning about whether or not the cargo that was to be moved was cargo that had earlier been offered to [redacted] as something to be moved?

A I see in the report rendered by the proprietary manager M [redacted] that he had questioned PO [redacted] on this.

Q Did you ever discuss this matter with PO [redacted]

A Subsequent to the flight?

Q At any time?

A Yes.

Q When did you discuss it with him?

A I don't recall. It could have been coincident with this 1,600, 1,800 type thing when he asked him, is this a continuing -- or is this the same requirement, and since I didn't really know about the previous requirement, I may have asked the Chief of [redacted] and somewhere along the line, we discussed, was this the same requirement, whether that be before or after the flight, I don't recall.

PO

Does [redacted]

Q Are you -- could you show us the document you're referring to on this point?

A Sure.

Q From the group of documents you brought with you?

A Uh-huh.

Q Is the document you've opened up here the one that you're referring to?

A Yes.

Q And is it correct that it's a memorandum dated 30/11/85, re mission Tel Aviv/Tehran? Is that what it is?

A Sure.

Q And can you point out in this document that you're looking at where it is that you see this point addressed?

A During my subsequent phone conversation [redacted] [redacted] I referred to my memo of 21st of November, '85 and questioned the way it was displayed to me and supposed that the cargo was the same and my memo indicated this was denied.

Q Now, [redacted] who prepared this document?

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A [redacted]

Q And do you know who he provided it to? Is this a report from m [redacted] to PO [redacted]?

A Yes.

Q And was this something that PO [redacted] passed along to you around the time that it was written or shortly thereafter?

A I think it was something like a couple weeks thereafter, the next time he came up to Langley.

Q And tha part of the memorandum you just read was on the first page; is that right?

A Yes.

Q And it refers to another memorandum dated 11/21/85; is that right.

A Uh-huh.

Q Do you have that memorandum here with you?

A No, I don't.

Q You don't.

We have that document, but it's been redacted quite heavily. This appears to be the memorandum that is referred to in the other memorandum; is that right?

A Same date.

Q And paragraph 3 refers to -- it's headed [redacted] [redacted] is that right?

A Uh-huh.

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Q It refers to the cargo being declared to be medicine, but is in reality ammunition. Is that right?

A Uh-huh.

Q Have you ever seen this document before today?

A Obviously I hadn't.

Q And does this appear to be a report prepared by m [redacted] to PO [redacted]?

A Yes.

Q And were -- when would you have received this document; do you know?

A Probably at the same time as receipt of the 30 November document.

Q And why would those have come to you together?

A PO [redacted] carrying them during his visit to Langley.

Q Do you know when he visited Langley?

A No, I don't.

Q But you recall that it was within a matter of weeks after the November Hawk flight; is that right?

A Yes.

Q Do you -- let me just state for the record, we have a very heavily redacted copy of that document, Mr. Schilling, and I think it's important that we get a -- and I would request right now -- a fully unredacted copy of that for our record.

MR. SCHILLING. After the deposition, I think we can discuss the procedures for getting the documents in there that you don't have. I suspect the redacted material in there is reports [redacted] not related to this particular thing.

MR. CAROME. The particular paragraph we refer to seems to be perhaps directly relevant.

BY MR. CAROME:

Q The paragraph 3 in the document we were just reviewing, [redacted] did you have any knowledge of that reference to a flight by another airlines [redacted] to Tehran?

A No.

Q And by the time frame of my question is this November 1985 weekend, you knew nothing about that at the time; is that right?

A Not to my remembrance.

Q Did you later learn that [redacted]

A Just now.

Q But prior to this time, you had no knowledge of that?

A No.

Q That is the type of [illegible]onal matter that [redacted] would certainly bring to your attention if they were considering engaging in; is that right?

A Would at least bring to the Chief of [redacted] attention.

Q But to the best of your recollection, that matter was never brought to your attention. Is that right?

A Uh-huh.

Q After the first telephone call -- well, let me just try to see if there is anything else that was mentioned in that first phone call on Saturday morning.

A Okay.

Q You're told that the first [redacted] plane had landed in Tel Aviv and you're told that loading has begun and I gather that you're told that loading is going slowly. Does that all come to you in the first phone call?

A I don't know how many phone calls we're going to add up to Saturday and Sunday of this weekend and I'm not going to speculate on what order these telephone calls came in.

Q Okay.

A But sometime during that time frame, yes, the information came in that loading was particularly difficult.

Q And all the communications are from PO [redacted] to you; is that right? All of these series of phone calls?

A No, there were also phone calls from PO [redacted] to C [redacted] and probably vice-versa.

Q And do you understand -- do you know whether or not C [redacted] went into the office at any time --

A I understood he did go in, but I don't have any -- I don't have any confirmation.

Q Did any of the phone calls that you made over that weekend to him -- I gather you were also in touch with him by phone; is that right?

A Yes.

Q And do you recall at any time over that weekend calling him at the office?

A I don't recall whether I would have called him at the office or at home. I'm sure I called him at his home. Whether I called him at his office or not, I don't remember.

Q Do you know whether or not he was in the office for the purpose of monitoring this [redacted] flight activity?

A No, I don't.

Q He could have been in for another purpose, is that what you're saying?

A Uh-huh.

Q You don't know one way or the other; is that

right?

A Uh-huh.

Q And, indeed, you're not sure whether or not he was in the office.

A No. I suggest you ask C [redacted]

Q By the way, is [redacted] who, I gather, is Chief of [redacted] is he -- strike that.

Was [redacted] Chief of [redacted] [redacted] involved at any time, either on Friday or over the weekend, Saturday and Sunday, in this monitoring and handling of the [redacted] flight activity?

A I don't know. That would have been C [redacted] and [redacted] My contact was with C [redacted]

Q You had no contact with [redacted] on the subject, either on Friday, Saturday or Sunday. Is that right?

A That's right.

Q And you didn't see or hear [redacted] talking about this subject; is that right?

A No.

Q How is it that you know that C [redacted] was also in touch with PO [redacted] on Saturday?

A I think there were some times that I wasn't by the phone and he had a series of phone calls where PO [redacted] indicated he had been talking to C [redacted]

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Q What happened next? What do you understand happened next in Tel Aviv on the loading front and other ones?

A I think sometime coincident with the arrival or near the time of the arrival of the second 707, the destination changed [redacted] to Tehran.

Q Who changed the destination?

A Customer.

Q Customer being Mr. Copp?

A Mr. Copp.

Q And about what time did you learn that the destination was being changed, as best you can recall?

A Late afternoon Saturday.

Q Late afternoon Washington time?

A Yes.

Q And who did you learn that from?

PO

A [redacted]

Q He telephoned you and told you that?

A Uh-huh.

Q What did he say in that telephone call?

A It was, again, an unsecured call so you were talking about countries between where Ed used to live and Joe lives now type thing. After I deciphered it, I passed that to [redacted] C

Q Do you know where [redacted] C was when you called

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him? You telephoned him; is that right?

A Yes.

Q Is there any chance you told him that in person?

A If I was in, yes.

Q And do you have a recollection as to whether or not this conversation or any of the conversations you had with C [redacted] over the weekend were in person?

A To the best of my knowledge, they weren't.

Q They were all --

A I don't recall them in person.

Q And you think it's more likely than not that they were all by phone; is that right?

A Yes.

Q And what -- first of all, what did PO [redacted] tell you about the question of changing the location or changing the destination [redacted] to Tehran?

A He indicated that the proprietary manager, m [redacted] had determined that it was not proper to use the ~~end~~-U.S. registered airplane due to the destination and pulled it off and he wanted C [redacted] confirmation that that was a correct and proper decision, which was passed up to C [redacted] and then passed back down, and the fact that m [redacted] was proceeding to have the end-registered airplane downloaded and [redacted] registered airplane now loaded with the mission cargo.

Q In these telephone calls on Saturday, when you refer something to C [redacted] do you understand that he is then getting in touch with someone else and passing the message on to a higher authority in the CIA?

A Yes.

Q And who is it that you understand he's dealing with?

A I didn't have any understanding of it.

Q But other than Mr. Clarridge, you don't know of anyone higher up that he was dealing with; is that right?

A Right.

Q But you do understand that he was communicating with someone superior to him?

A Yes.

Q On every call or just some of the calls?

A On the calls he deemed appropriate. I'm not going to ask my boss --

Q Let's take this one call about the destination being changed [redacted] to Tehran. You then -- you called C [redacted] and told him about that, right?

A Uh-huh.

Q Did you say, C [redacted], do we have approval for this?"

A I think that, again recalling back almost a year and a half ago now, the conversation went something like: C [redacted] do you know -- are you firmly know where that destination is and do we have the requisite approval for that destination?" He says, "I will get back to you." He called back and answered in the affirmative.

Q Why are you asking C [redacted] for confirmation on the destination?

A Because now we are into one of those areas that doesn't seem too normal to operate into.

Q Are you asking -- when you say to confirm the destination, you're saying to confirm that it's all right to take [redacted] plane there; is that right?

A Uh-huh.

Q You're not asking him to confirm whether or not that's the correct destination?

A No.

Q So after a certain amount of time, C [redacted] then called you back; is that right?

A Yes.

Q And he told you that he had spoken to someone?

A No, he said it's all right to go there.

Q Did you understand that in the interim, he had checked that question out with someone else?

A I would anticipate that that is the reason he did not give an immediate confirmation.

Q But he then ultimately did call you back and give you a confirmation; is that right?

A Yes.

Q And about what time of day is this on Saturday?

A Saturday afternoon.

Q Can you be more precise?

A Late afternoon. Five o'clock.

Q Did you keep any notes at all over that weekend on this subject matter? You took no notes?

A That's right.

Q Is it normal for you to take no notes on flight activities by a proprietary?

A If I'm not controlling the flight, I won't take notes.

Q And it was your view that you weren't controlling the flight; is that right?

A Yes, sir.

Q Although you were closely monitoring the flight; is that right?

A Yes.

Q Because it was important in case you needed to answer questions to the NSC; is that right?

A In case I needed to answer questions from
C [redacted]

Q And the reason that questions might come up is because this was an NSC operation; is that right?

A Yes.

Q I take it that you then, late in the afternoon on Saturday, Washington time, then called PO [redacted] and said, "It's okay to take the non-U.S.-registered [redacted] plane into Iran;" is that right?

A I'm sure it wasn't quite that succinct over the telephone, but --

Q Maybe -- could you give me a better idea of what the conversation was like on the phone?

A You can proceed with your non-U.S. airplane to destination.

Q And what did he reply?

A Okay.

MR. SCHILLING. Can we go off the record.

MR. CAROME: Off the record.

(Discussion off the record.)

MR. CAROME: Back on the record.

BY MR. CAROME:

Q After you passed the word to PO [redacted] that it was all right to go to Tehran, what happened next?

A Well, somewhere about this time, it became known that the load was very difficult and it was going to take somewhere around 16 hours to load.

MR. CAROME. Let's go off the record for one point.

(Discussion off the record.)

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MR. CAROME: Back on the record.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

Q I take it that the switch in locations had the effect of limiting you to use only one plane; is that correct?

A That is right.

Q And, in fact, you had to unload material that had already been loaded on to the U.S.-registered plane; is that right?

A Yes -- I understand somewhat in retrospect that it had been four.

Q Four items had been loaded onto it?

A Uh-huh.

Q You did not know that at the time?

A No.

Q And when it was initially anticipated that two planes could go -- was there simultaneous loading taking place on two planes?

A There was to be, yes.

Q Did that process of simultaneous loading ever begin, as you understand it?

A I think it did.

Q What happened to the U.S.-registered plane, once it was determined that it was not going to be able to make the flight?

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A It was down loaded, or put in a more common vernacular, unloaded, and departed Tel Aviv [redacted]

Q Who made the decision about what should be done with the U.S.-registered plane?

A Proprietary manager, confirmed by, at least [redacted] C [redacted]

Q And that would have been through you?

A Yes, I believe it was.

Q So you received a phone call from PO [redacted] saying m [redacted] wants to send this U.S.-registered plane back [redacted], and you asked C [redacted] is that okay; and he told you, yes, it was?

A Most probably it wasn't said, send back [redacted] it was not to use the U.S -registered airplane.

Q And therefore, release it for whatever the proprietary manager wants to do with it?

A That is right.

Q What did you learn next on that Saturday afternoon -- now, I guess, it is getting even later on Saturday -- about activities in Tel Aviv?

A That the loading was difficult; that they anticipated the airplane to be erased some time after midnight -- midnight time. And at that point, once they were done, they were done, they would proceed on. There was also evidently a discussion of payment, how that would be accommodated; and the captain didn't have enough money to pay the landing fees and fuel for the Tehran flight -- he had anticipated only going [redacted] -- the company had anticipated only going [redacted] And there was a Mexican standoff between the proprietary manager and, now I understand to be, a Mr. Schwimmer, in Tel Aviv, as to the amount of money that would have to be provided to the captain as a more or less downpayment to get the flight off the ground.

Q And what were the various positions in this Mexican standoff, as you describe it?

A The proprietary manager's saying, we are not going to proceed with, I believe, it was without $30,000 in the captain's pocket.

Q And that $30,000 would be just a downpayment; is that right?

A Yes, sir.

Q And what was Mr. Schwimmer's position at this time, as you understand it?

A As I understand it, he said he didn't have $30,000. This is -- this gets difficult because we are now mixing what we knew at the time and what we know now.

Q All right.

I would rather stick to what we -- to what you knew at the time; what did you know at the time about this Mexican standoff?

A There was a question about the ability for the customer to provide the appropriate amount of money to accomplish the flight. And the proprietary manager says, no money, no flight. And that somewhere along the line the person, not further identified at that time, in Tel Aviv, did provide the money necessary to accomplish this first flight.

Q But it was never -- it was never $30,000 that was provided; was it?

A I don't know.

Now are we talking about at the time, or are we talking about what we know now?

Q What you have learned since; it wasn't $30,000 that was provided; was it?

A I think it was something like $8,000 that was provided.

Q Do you think one reason that the proprietary manager was making money an issue was to create an image with Mr. Copp that this was being handled on a commercial basis, but that he didn't really care about the money?

A I prefer not to speculate on that; I don't think so.

Q By the way, [redacted], where do you understand him to be located at this point?

A [redacted]

Q He never, to the best of your knowledge, left [redacted]

A No.

Q He didn't go to Tel Aviv, for example?

A No.

Q Are you sure of that?

A No, I am not.

Q But to the best of your knowledge, he did not?

A To the best of my knowledge, he did not.

Q So how is [redacted] -- strike that.

How do you understand [redacted] to have been getting news about what is going on in Tel Aviv?

A Either through his [redacted] office, which, again, was a managing office for the 707 aircraft, or directly through a, what we call a phone patch, through HF radio to the airplane.

Q He could have actually been speaking from his telephone to the pilot?

A Yes.

Q Would that have been a secure communication?

A No. Again, this would be a strict commercial communication.

Q Are you -- were you aware over that weekend, how it was that m [redacted] was communicating with the people in Tel Aviv?

A No. Obviously it is emanating from the airplane in Tel Aviv, either through the [redacted] office or directly to m [redacted] location.

Q Did you ever learn that [redacted] pilot was actually at Mr. Schwimmer's house?

A In the report that m [redacted] submitted, it indicates that.

Q But you didn't know that at the time over the weekend; is that right?

A It wouldn't have been germane.

Q Did you know who Mr. Schwimmer was over the weekend?

A No.

Q Did you know that there was some representative of the customer, other than Copp, over the weekend?

A Yes.

Q You knew that there was some---

A There was some ground person on Tel Aviv, at that time I assumed it was Copp, because I didn't know where Copp was.

Q You didn't know that Copp was [redacted]

jm

A No.

Q Where did things stand,as of Saturday evening, Washington time?

A Loading proceeding difficult---

Q Let me ask you one feature that I believe you are familiar with but haven't mentioned. Did the subject of painting the U.S.-registered plane arise some time during the day on Saturday?

A Either some time during the day on Saturday or Saturday evening, whe[redacted] refused to fly the U.S.-registered airplane to Tehran, a customer offered to repaint and ostensibly re-register the airplane[redacted] [redacted] turned that down also.

Q Did he check with you before turning that down?

A I believe so -- coincident with the flight of the end-registered airplane was the deal to repaint and re-register.

A So the question of whether the U.S.-registered plane would go at all Tehran and the question of whether or not it ought to be repainted and re-registered, may have come up in this same telephone call; is that right?

A Same time frame, anyway.

Q And that was the latter part of Saturday afternoon, as best you can recall?

A Okay -- yes, I am sorry.

Q What happened next?

Let me ask you, do you have -- strike that.

Did you,at any time in this Saturday afternoon, Saturday evening time frame, learn where it was at the Tel Aviv airport that the loading was going on?

A No.

Q Did you ever learn that it was military people handling the loading?

A No.

Q You never learned that, in fact, even by the time the activity was over a few days later, you still hadn't learned that there were military people involved in Tel Aviv, on the ground, loading [redacted] planes; is that right?

A Not to my recollection.

Q Is that a fairly firm recollection, do you know that? It is a firm recollection?

A Yes.

Q Is it true -- and this goes to the point Mr. Barbadoro was raising before he left, that normally military equipment, explosive military equipment such as missiles, is loaded in a different part of an airport from where normal commercial material is loaded onto a plane?

A Yes, it would not use -- it would use what is called a hot cargo area, which would be in a remote area of the airfield, and it is not necessarily indicative that you were loading explosives, it might be indicative that you were loading cargo that you didn't want the commercial venue of the airport to be aware of.

Q But, in any event, it is the norm in the airline industry throughout the world to load equipment such as missiles in a hot cargo remote area; is that right?

A Yes. But it is also the norm to load large or bulky items in an area outside the normal freight operations area in an airport.

You don't pull the airplane up to the passenger gate to load the freight items.

Q Did you learn that a hot cargo area was being utilized for the loading of [redacted] planes in Tel Aviv?

A No.

Q You didn't know that?

A No.

Q Did any of the discussions about finances that arose, once Tehran became the destination, involve the question of insurance and the insurance involved in taking a plane into Iran?

A No.

PO

Q You don't recall any conversations with [redacted] [redacted] about insurance?

A No. Could have had it.

Q Have you learned since whether or not special

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insurance was obtained for those flights into Tehran?

A No. It could be in one of the reports that I just don't recall reading.

Q Are you aware of any special insurance requirements involved in taking a plane into Tehran?

A If you had hull insurance on an airplane, or what you would call comprehensive on an auto insurance policy, that replaces the value of the airplane if lost in the war areas of the Red Sea -- whatever the body of water is that we just had a ship shot out, any operations in that area, then requires a special rider on the insurance policy. Being that [redacted]-registered 707 was not covered under a hull insurance, I don't think any additional insurance rider is required.

Q How would the insurance have been handled then on this?

A Under its existing policy. We are talking just about a liability-type coverage.

Q And under that arrangement, there would have been no need to pay an additional insurance premium, as you understand it?

A As I understand it -- unless there is a requirement in aviation industry to have additional liability insurance to pay for crashing into the runway and having explosives onboard.

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jm

Q But that would be insurance based on the nature of the cargo rather than the nature of the destination; is that right?

A That is right.

Q Yes?

A Yeah.

PO

Q In any of your discussions with [redacted] or anyone else over that weekend, was there ever any discussion that the possible destination of the cargo was not Tehran but instead Tabriz, another city in Iran?

A There may have been, but it wouldn't have been a great concern because, obviously, the customer is telling the captain where he wants to go.

Q Do you recall that at one point the destination was described as Tabriz?

A No, I don't.

Q Do you recall Tabriz coming up at all?

A No. Again, we're on unsecure phones, and it wouldn't be prudent to discuss the particular destinations like that. And I don't recall talking around that. I wouldn't know how to talk around that---

[redacted]

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jm

Q So all communications with him were by telephone; is that right?

A Yes, sir.

Q And did you ever deal, at any time over that weekend, wit m [redacted] or anyone else a[redacted] itself?

A No.

Q Did you ever receive CIA intelligence information about what was going on with the flights?

A No, other than an indication from c [redacted] that there was a problem with overflight

Q When did that subject come up?

A When the airplane was sitting on the ground[redacted] [redacted]

Q Okay, we haven't, I think, quite gotten there in our chronology here.

Was there a -- when the question of taking the plane into Tehran arose, was there a need to get approval at the level of ADDO or above, that occurred to you?

A Yes.

Q I believe you have already said that you have talked t c [redacted] about getting approval; do you know who it was that he went and got such approval from?

A No, I don't.

Q Did you assume that it was at the level of ADDO or above?

A Yes.

Q That you got that approval -- that would have been higher than Mr. Clarridge; is that right?

A Yes. Mr. Clarridge, at that time, was chief of Europe, which works for the DDO.

Q Was it unusual that c [redacted] was dealing directly with Mr. Clarridge, was that something that happened often?

A Once c [redacted] management level had given policy level type approval, it is not uncommon for them to back out of the day-to-day or minute-by-minute management time or report scheme.

Q But would it have been necessary for management level to have given c [redacted] approval before he started dealing directly with Mr. Clarridge?

A Yes.

Q And by management level, c [redacted] management level is [redacted] and [redacted] is that right?

So you would assume that he before he started dealing directly with Mr. Clarridge, [redacted] and [redacted] would have given the go-ahead to allow for that kind of direct contract with the chief of the European division; is that right?

A We use the word "assume," and that is correct.

Q You assumed that?

A Yes.

Q You don't know whether or not that type of approval happened?

A No, I don't.

Q What happened next on that Saturday evening?

A Well, I think we would probably be into Sunday morning, at least U.S. time, not Tel Aviv time.

Q All right. What happened Sunday morning on this front?

A A report comes back that it is not going to take 16 hours, but about 24 hours to load the airplane.

Q And that is 24 hours, starting from the time it touched down in Tel Aviv; is that how you are measuring that?

A Yes.

Q And am I right that the -- it was probably also Sunday morning that the U.S.-registered plane also departed Tel Aviv?

A Definitely Sunday morning, Tel Aviv time; whether this is Saturday evening U.S. time, I am not sure. We could look back through the chronology that you have in front of you.

Q My indication is that it was probably around 7:00 a.m., Washington time that the U.S.-registered plane left Tel Aviv, does that seem consistent with your recollection?

A I think that is consistent with [redacted] report.

Q I think that is probably where I got that number from?

A Okay.

Q What was the status of the activity on Sunday morning, Washington time?

A Well, we just established U.S.-registered planes leaving or continuing loading [redacted] registered aircraft. They have resolved the payment issue at this time, and the flight is ready to depart as soon as it is loaded.

Q And at this point it is your understanding that there is going to be a series of three flights; is that right, by this one plane?

A Yes.

Q Because that is going to be the only way to get all of that cargo to Tehran?

A But no one is worrying about number 2 and 3 right now, everyone is just trying to get number 1 loaded and off the ground.

Q Because number 1 is, in itself, something of a major problem; is that right?

A There appears to be a major problem to get those things on the airplane, yes.

Q And at this point, Sunday morning, is it your understanding that it is going to be a direct flight from

Tel Aviv to Tehran; is that what you were anticipating?

A I don't think that question ever came up until [redacted] stop came up, and the report back of routing of Tel Aviv [redacted] Tehran, and [redacted] stop was not a surprise, in the fact that there would be one, what we call, tech stop---

Q How do you spell tech?

A T-e-c-h, stands for technical, which is common in the airline industry when you are going from one country to another that may not be on the best terms.

Q. And does that kind of tech-stop happen even in the course of normal commercial flights?

A Sure.

Another example that puts it in perspective was past operations between Tel Aviv and [redacted], just strictly passenger operations required going up to [redacted] or [redacted] to [redacted] or [redacted], in order to get two countries to talk to each other, you can't fly between .

So [redacted] was chosen by the customer---

Q Is this something that is communicated to you by telephone by PO [redacted] is that right?

A Yes.

Q And you are still contacting C [redacted] with this information, passing it up to him, and he passes down to you if that is okay, or go ahead; is that right?

A It is more of an information mode,at this time.

Q All right.

A We also are planning on stopping [redacted] for a tech-stop.

Q And what did [redacted] say?

A He accepted the information -- beyond his interest at this point, being that that involves a technical operation of the airplane. It is really a proprietary manager responsibility.

Q All right.

A As we discussed last Friday, about this time, [redacted] proved to be a bad choice by the customer.

Q Why was that?

[redacted]

Q Did this problem occur to you when you first heard about [redacted] problem?

A No, but shortly thereafter the -- with 20-20 hindsight, it reared its ugly head.

Q How is that?

jm

A When the airplane arrived [redacted] c for the tech-stop, the first problem was that there was no manifest for---

Q Were you told that by telephone?

A Yes. Because at this point the captain of the airplane was in somewhat of a problem with the airport authorities for not having a manifest for this tech-stop. And he had gone to hi[redacted] m office, or t[redacted] M and said, I need help [redacted] had come t[redacted] PO

PO [redacted] had come to me and said, can we help him? I went t[redacted] and said, boss, we have got to help them, now we've go them in hot water, and he contacted somebody---

Q Who is he; C [redacted] C

A

And we reversed the chain now, the answer was, they are on their own.

Q C [redacted] came back to you and said, tell them they are on their own?

A That is right. Which just made me happier than heck.

Q Why is that?

A Well, I would -- I could have been conceivably sitting there talking to [redacted] and not feeling very comfortable in my present situation.

Q Did you communicate that back to [redacted] PO

jm

A Yes.

Q What did he say?

A He was about as happy as I was.

Q He was glad not to have to worry about that one, too?

A No; he was upset about the fact that we couldn't help them -- we put them into this situation that we now couldn't help them with.

Q And that was similar to the way you felt?

A Yes.

m

And he communicated this to [redacted] and about this time the information again reversing the flow comes that the captain had produced a manifest, and now everything was clear with [redacted] and the airplane was cleared to depart.

There probably had been some money that crossed hands that helped that situation along.

Q That money -- money passing hands from [redacted] pilot to [redacted] is that what you are suggesting?

A Yes.

Q Yes?

A Yes. Not an uncommon practice either, overseas---

Q A manifest problem deals with cargo, is that right?

A Uh-huh.

Q Manifest for the cargo?

A Well, it could be passenger manifest, also.

Q But in this case the manifest would have been a document that described the cargo; is that right?

A Uh-huh.

PO C

Q In this conversation that you were having with [redacted] and that you were having wit[redacted] about this manifest problem, didn't the subject, what the nature of this cargo was come up?

A No.

Q Does that strike you as strange, that you were worrying about a manifest but didn't know what the cargo was?

A I wasn't worried about a manifest; I was worried about any help that we could give the crew and figured that they would eventually produce their own manifest anyway.

Q Isn't it likely that the crew in having to figure out what to do with the manifest, would have learned, or would have taken the time, probably, to find out what the hell was in the crates on the plane?

A I can't answer for the crew.

Q Isn't it almost inconceivable, though, that the -- that that problem could have been surmounted by the crew without communicating to [redacted] what it was that they were carrying?

A I don't understand the genesis of your question.

Q Well, my point is that -- one question here is whether or not the crew was witting of what the cargo was?

A Sure.

Q And I am suggesting that it is very unlikely, indeed, perhaps inconceivable that the crew could have had this crisis over a manifes[redacted] without, during the course of resolving that crisis, finding out what it was that it was carrying; would you agree with that?

A Somewhat; if I were in that situation,I would produce a manifest that says something, just to get me out of my situation.

Q You would probably try to figure out what the heck it was you were carrying, too, wouldn't you?

A No. I might be curious as to what I was carrying, but I will take a look at the containers,if they are closed, and produce a manifest of something that looks reasonable for those containers.

Q Don't you think it is likely that they -- tha[redacted] probably even boarded the plane and looked in, and maybe even opened up one of these things and found out what it was?

A No.

Q Did you ever have any indication that that happened?

A No.

Q Well, in any event, how did the manifest crisis resolve itself?

A Reportedly from the report from the proprietary manager that we now have in front of us, is that they manifested the cargo as oil drilling equipment and proceeded on.

Q Just so we are clear on what it is we are talking about -- could you mark this as the next exhibit, I guess, it will be Exhibit 2?

(The following document was marked as Exhibit [redacted] 2 for identification:)

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BY MR. CAROME:

jm

Q [redacted] I show you what has been marked as Exhibit 2, and I ask you, is that the report of the proprietary manager that you were just referring to?

A Yes.

Q And, I am actually more at this point, more interested in learning what you knew at the time -- what did you understand at the time was -- what were you told at the time about how the manifest crisis was resolved?

A That the captain had provided a manifest and that [redacted] if there is any such thing -- the customs authority [redacted] had agreed to release the airplane.

Q In about what time was that that you learned that information?

A This would have been Sunday evening.

The next problem, however, was the problem of the overflight [redacted]

Q And when did you learn about that problem?

A Sunday evening.

PO

Q Is this again in a phone call from [redacted]

A Uh-huh.

C

Q And did you inform [redacted] of this problem?

A Yes. And asked for any assistance that could be provided to facilitate the overflight [redacted]

Q And what happened on that front?

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jm

A He said he would see what he could do, but the crew could continue to -- should continue to press forward in filibuster mode to get across [redacted]

C

Q [redacted] passed that direction to you to pass

PO

to [redacted] is that correct?

A Yes.

Q So that they were to take of [redacted] on route to Tehran, and were to try to make it through [redacted]

A They would attempt to take off. You are not going to take off anywhere until you get a clearance from air traffic control authorities, and that is coincident with receiving over-flight clearances from the countries involved in those cases. So the direction that most probably was passed, is to continue to work the problem---

Q Do you recall passing a message of that sort?

A Yes.

Q And what happened on that front?

A They eventually took off.

Q And that involved getting clearance from the controllers [redacted] is that right?

A That is right.

Q You understand that there, perhaps, was a -- that money changed hands to smooth that problem out?

A I mean, that wouldn't be common.

Q That would be uncommon?

A Yes.

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And according to your Exhibit 2 here, the crew did take off, proceed to cross [redacted] and receive numerous questions coming across [redacted] as to the clearance number, and so forth.

Q And did you, at the time, were you aware -- I guess, this is now some time after---

A Sunday night, sometime.

Q Sunday evening -- were you aware of the problems in getting through [redacted]

A We were aware of the original problem.

Q The original problem being what?

A One of lack of air traffic control clearance to depart [redacted] -

Q Uh-huh.

A -- attributed to be the lack of over-flight clearance [redacted], that being passed to [redacted] C he said he would do what he could to help. C

Q What did you understand [redacted] to mean when he said he could do what he could do to help -- do what he could to help?

A He would forward this to his, whatever contacts he had, and see if there was some way that they could help with [redacted]

Q His contacts; who did you understand his contacts to be?

jm

A I would -- his upper management contacts, I would think it would be Mr. Clarridge at this point.

Q What is the next report you get fro PO [redacted] as to the status of the flight?

A Airplane is on the ground at Tehran.

Q And what time did you receive word of that?

A Late Sunday evening, U.S. time.

Q Probably sometime after 10:00 p.m., would that make sense?

A Uh-huh.

Q And what did PO [redacted] relate to you on -- about in that telephone call?

A The airplane is on the ground and being unloaded.

Q Did he, in that phone call, say anything about who was doing the unloading?

A No.

Q Did he give any indication that it was military personnel in Tehran that were handling the unloading?

A No.

Q Did he say where the [redacted] crew was at the time?

A The crew had been gone to the hotel.

Q Did he tell you that in that phone call?

A I believe so.

Q Did he say anything to you about how [redacted]

jm

clearance had been handled?

A No.

Q That subject didn't come up in that phone call?

A With the exception of -- he may have said that the crew bullied their way across [redacted]

Q Do you recall him saying that?

A Minor recollection, I couldn't, you know, put a great -- I couldn't put the -- Ivory-pure percentage to that.

Q Did you receive any more phone calls that evening about the status of the flight?

A To the best of my recollection, the next call I received was that the plane has been unloaded, the crew has been brought back from the hotel and they're enroute back [redacted]

Q Now, when and where did you receive that phone call?

A In my house, probably in my bed, and when would be now Sunday -- Monday morning, our time.

Q But you have fairly firm recollection that this is before you go into work on Monday morning?

A Yes.

Q You got a phone call late in the night; is that right

A Quite frequently.

Q That night did you get more than one phone call on this subject?

A I don't know.

Q Do you recall there being more than the one phone call saying that the plane is unloaded?

A No, I don't.

Q May I see Exhibit 2 for a second, please?

A Sure.

Q Page 6,of Exhibit 2 says, the aircraft took off at 17 15 GMT on the 25 November, after 14:35 hours on the ground in Tehran; is that correct?

A Uh-huh.

Q And that means it was probably around --

A That would be about 12:15 -- is 25 November Monday?

Q It would have been---

A Yeah---

Q Let's go off the record for a second.

(Discussion off the record.)

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jm

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q It appears from Exhibit 2, that the proprietary manager reported that the time of departure from Tehran was about 12:15 Washington time; is that right?

A Correct. This is on Monday, now.

Q That is right.

Now if you could tell me, do you recall getting a phone call early in the morning at home---

A Uh-huh.

Q ---on the status of the flight; is that correct?

A Uh-huh.

Q And this is Monday morning; is that right?

A Yeah.

Q And what do you recall to be the substance of that telephone call?

A As I said previously, as I recalled, it was that the aircraft had been -- had departed. With this report it looks like that was incorrect, that this phone call would have not been received until about noon Washington time, on Monday.

Q Which do you, today, believe to be correct? Your recollection or what this report seems to suggest now that you have had a chance to look at it?

A [redacted] being a very precise individual, I will think that his report is correct.

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jm

Q But you do recall getting a telephone call that morning; is that right?

A Uh-huh. Now that could have been the arrival of the airplane late Sunday evening, early Monday morning.

Do you have a time when a---

Q It is my understanding that it was around 4:00 a.m. that the unloading of the aircraft in Tehran was complete, that is 4:00 a.m., Washington time.

A Well -- it arrived at Tehran at 2:50 GMT, which would have been 9:50 local, or 21:50 local Washington time, on Sunday evening. And by the time he gets to the -- or the captain is able get an HF call through, or as it appears in this report, he arrived in the hotel and made the commercial phone call back to his company, it would have been two or three hours thereafter.

Q All right.

I guess what I am trying to pin down is whether or not you have a recollection of what that telephone call at home in the morning was about, do you?

A At this point, with this refresher, it must have been the arrival of the airplane.

Q Do you recall, on that Monday morning, the subject of insisting on [redacted] plane having a full tank of fuel before it left Tehran?

A No.

Q Do you recall that subject coming up?

A No.

Q Do you recall the subject of where the plane should go after it leaves Tehran coming up that morning?

A No.

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Q As of Sunday morning, what is your understanding of what the next step is with the moving of the rest of the cargo to Tehran?

A Sunday morning or Monday morning?

Q Early Monday morning.

A Monday morning.

Q You said before that you understood there were to be probably two more flights to get the rest of the material to Tehran. Has that understanding changed as of Monday morning?

A Somewhere along the line the understanding that the airplane was going to retu[redacted] not Tehran, so it was something that would be worked later on as to the approval for the continued flights.

Q Were you involved in the decision as to where the plane would go after leaving Tehran?

A Not to my recollection. That was --

Q That was actually a fairly major decision. I mean, you would have been involved in a lot of other decisions about where these planes were going to go, but you don't recall being involved in any discussion about where the plane would go after Tehran?

A No.

Q You don't recall that?

A No, I don't recall it.

Q It's quite possible that that was a -- strike that.

When you arrived at work on Monday morning, did you speak to anyone at all [redacted] C or [redacted] PO about the activities of the weekend?

A I recall general gists of the conversation of C [redacted] saying that we'd had a busy weekend, that we had proven the capability o[redacted] proprietary in a non-U.S. Government attributable fashion and that how the decision had to be made if we were going to continue.

Q This is a conversation you a[redacted] C had?

A Yes.

Q Was anyone else present to this discussion?

A No.

Q Not [redacted]

A No.

Q And not DC [redacted]

A No.

Q And what time of day is this conversation taking place?

A About 9:00 Monday morning.

Q Is that the time you arrived that morning or had you been there earlier?

A No. I get to work about 7:30.

Q And between 7:30 and this 9:00 conversation, did you do anything with respect to this activity?

A I don't recall. We're a year and a half ago, guy, and what I did between 7:30 and 9:00, I can't give you a specific recollection at this time. I don't recall calling [redacted] He normally wouldn't get to work until about 8:30, so if I did anything in respect to this, I don't recall at this point.

Q Of course, during that time frame you've got you[redacted] crew on the ground in Tehran which is a highly unusual --

A Yes.

Q You'll agree with me on that, right?

A It had been done last in August with no problem.

Q Do you have a firm recollection that the last time that had been done was in August?

A Yes.

Q And you don't recall, in fact, between that one phone call you received early in the morning and the time that you talked to[redacted] around 9:00, you don't recall anything coming up on the subject of the flight in Tehran, is that right?

A No, I don't.

Q What was said in this conversation with [redacted] around 9:00 on Monday morning about what the next step would be with the flight; do you recall?

A No. I had the understanding that he was going to go upstairs and have a meeting with his management.

Q And did you infer who management was?

A [redacted] and [redacted]

Q And you understood that he was going to work out the next step with those two rather than Mr. Clarridge; is that right?

A Yes.

Q Did you see Mr. Clarridge at all on Monday?

A No.

Q Did you talk to him at all on Monday?

Did you mention to [redacted] the fact that two-thirds of the cargo is in Tel Aviv waiting to get to Tehran at that point?

A I don't recall mentioning that.

Q Do you know if, as of that time, that is, 9:00 a.m., something has happened to cause a decision by someone that the other two flights that had been earlier anticipated were in fact not going to happen?

A I recall in a very sketchy manner that afternoon the decision being made that nothing is going to proceed further without further discussion, that we were not to allow the plane to go back to Tehran. This was almost immaterial at this time because I believe the plane landed -- what time did it leave Tehran? Did we finally determine that?

Q I believe we --

A Noon Washington time?

Q Noon, yes.

A So it was headed back [redacted] at this time, as we now know, and that would be at least a six-hour flight so there's -- it's not going to be back on the ground till 6:00 in the evening our time, and when you put a 12-hour crew rest in there for the crew to catch some shut-eye, which they hadn't had much of in the past 48 hours, the press of making the decision wasn't imminent on us.

Q But I gather one other option would have been to take that plane directly back to Tel Aviv, let the crew rest there and let the loading proceed there; wasn't that an option?

A But for whatever reason, the proprietary manager had determined he wanted it to go back [redacted] not Tel Aviv.

Q Did the proprietary manager check with anyone at [redacted] about that before doing that?

A I don't recall.

Q Wasn't that unusual that he wouldn't have checked on a decision like that?

A No. It may have been a customer requirement, that he now didn't want to go Tel Aviv [redacted] Tehran, [redacted] Tel Aviv [redacted] Tehran, that he wanted to put a "wash" into that.

Q Did you have any more discussions on Monday with PO [redacted] after you arrived at work?

A Most probably, undoubtedly there was some discussion about "is everything okay, and where's the airplane going and what time will it be there."

Q And in this conversation it's you asking him where it's going?

A Yes.

Q You're not providing him any directions in that phone call as to where the plane should go, is that right?

A That's right.

Q And do you have any recollection at all as to about when on Monday that phone call with PO [redacted] would have taken place?

A Early afternoon.

MR. CAROME: Would you mark this as the next exhibit, please?

(Exhibit No. [redacted]3 was marked for identification.)

MR. CAROME: Do you want to take a break?

THE WITNESS: Let's press on. I -- as long as no one's going to float eyeballs.

BY MR. CAROME:

Q [redacted], I show you what has been marked as Exhibit 3. It's a spot report dated at the top 25 November 1985, and I ask you if you recognize that document.

A I recall the gist of this document. Whether I've seen the document or not, I don't know.

Q Do you recall seeing it on Monday, November 25, 1985?

A No.

Q Is it possible that you might have seen it?

A Yes.

Q You didn't draft that document, did you?

A I could have.

Q You may have drafted it?

A Yes.

Q Do you know whether the --

A As I recollect, [redacted] drafted this document and provided it hand-carried to his management. I point out to you that although the document is dated 25 November '85 in the upper right-hand corner, it indicates it was typed on the 29th of November.

Q Yes, that intrigues me as well as to why that is.

A I can't comment on why that is. Not that I don't

8

want to; I don't know.

Q [redacted] this Exhibit No. 3 in the second line refers to sensitive cargo having been transported. Do you know whose phrase "sensitive cargo" is and what that means?

A "Sensitive cargo" is not a unique phrase. It could mean site sensitive or it could mean classified.

Q Do you have any idea why sensitive cargo was used in this document?

A No. It could be because it was NSC generated.

Q But as of this time you -- again I believe you said before but correct me if I'm wrong -- you had no knowledge that what was going on in this flight to Tehran was connected with an effort to free hostages; is that right?

A That's correct. I was checking my pockets as to why we would be doing something like this and wondering myself.

Q Did you ask anyone that question?

A No.

Q Was there just one phone call that you recall with PO [redacted] on the Monday, the 25th, or do you think you had a series of phone calls with him?

A I could well have had a series of phone calls with him.

Q Do you recall any other matters that were discussed with him other than the fact that the plane was going to be leaving Tehran?

A As I talked to you earlier on the destination of the plane, the estimated time of arrival of the plane, and when the crew would be at a crew rest.

PO

Q And did you have any discussions wit[redacted] during Monday the 25th about the status of the remaining cargo?

A Late in the evening after the meeting that I assume you want to talk about next with Mr. Sporkin, I calle[redacted] PO and told him that there were not to be any further flights without redirection.

PO

Q Had you given any such direction to[redacted] or any inkling that that might be what was happening prior to the meeting that you just referred to?

PO

A When you stop and think about it,[redacted] was in the building at that time, so --

PO

Q When di[redacted] arrive in Washington?

A Monday, noonish.

Q And why did he come up?

A He was scheduled to come up to discuss proprietary business not related to this.

Q That was a prior schedule?

A Yes.

Q Are you certain of that?

A Am I certain it was a prior schedule?

Q Yes.

A Yes.

Q And when did you first see PO [redacted] on that day?

A About noon.

Q And what did you talk to him about when you saw him? Did it have anything to do with the flight to Tehran?

A Oh, I'm sure that it did.

Q Was he still trying to -- was he still in touch wit m [redacted] about what was going on?

A Yes. Of course, he had been traveling at that point [redacted]

Q Did you at any time on Monday talk to m [redacted] yourself?

A Not to my recollection.

Q Di C [redacted] also se PO [redacted] on that Monday?

A Yes.

Q And did he also talk to him about the status of the flight in Tehran?

A I don't know. I wasn't part of the discussion.

Q The three of you didn't at any point talk together, is that right?

A No, not to my recollection.

Q Are you aware or do you have any knowledge as to whether or not this document, this spot report, designated Exhibit 3, was shown to Mr. John McMahon sometime during the day on Monday?

A I wouldn't have that knowledge.

Q At any time during the day did you hear that Mr. McMahon had heard of the activities of the weekend and had, in his words, I believe, hit the overhead?

A At about 5:30 Monday evening I was called, being that [redacted] was gone, had gone home, I was called into [redacted] office an[redacted] and I were informed that the DDO had severe reservations about continuing this activity and that we were to get in our cars and go over to the OGC's office, Mr. Sporkin, and relate to him the weekend's activities.

Q Okay. I want to get to that point.

MR. SCHILLING: Off the record?

MR. CAROME: Sure.

(Discussion off the record.)

MR. CAROME: Back on the record.

What I would like to do is see if there is any additional information I can glean about what happened during the day on Monday befor[redacted]asked that you and [redacted] go over and brief Mr. Sporkin.

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BY MR. CAROME:

Q If you refer to Exhibit 3, the last two sentences say: "The aircraft is still unloading in Tehran and should depart this morning" -- presumably the morning of November 25, 1985. Then the next sentence says: "More flights are expected this week."

Is it your understanding that during the morning of Monday that more flights were expected that week involving the proprietary?

A Must be.

Q But is that consistent with your recollection of that morning?

A Uh-huh. But again, it was not a pertinent fact, being that the airplane now we realize was en route [redacted] with an estimated time of arrival sometime in the late evening, U.S. time, and the decision on more flights was in realism basically 24 hours away before it was capable of making any more flights, so it was not a pressing decision issue.

Q I guess so. The only other option I keep thinking of is whether or not that flight would have gone straight back to Tel Aviv.

A And, again, that is not a good OPSAT-type thing to do, that you would look at flying consistently three flights shuttling between Tehran and Tel Aviv. I'm

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not a political geographer, if you will, but my basic recollection is those two countries don't like each other too much.

Q If someone at the CIA headquarters was upset early in the morning, in the morning of November 25th, such as Mr. McMahon, and wanted to quickly put a stop to these flights, could that have happened other than through someone talking to you about that? I'm trying to figure out if Mr. McMahon's anger, reported anger at what had gone on over the weekend was somehow communicated to [redacted] people so that the operation was put at least on a temporary standstill. Do you know anything about that?

A Yes, any communication of Mr. McMahon's anger wouldn't have ever gone to the single-issue people.

Q But perhaps the result of his anger, namely stop the operation, could have been communicated to the [redacted] people?

A It certainly could have been, but again, that was not necessary until late Monday afternoon, our time, or at the very earliest, or early Tuesday morning, even within work period because the airplane, or the crew was not available. So if there was an anger, that anger never reached my level.

Now, was there a decision to terminate the flights early afternoon, I think that was put on hold until the results of the talk with Mr. Sporkin was determined.

Q You don't know about any hold being put on the flights prior to the talk with Mr. Sporkin?

A No, I think the basic hold may have been placed on that flight prior to talking to Mr. Sporkin.

Q But would that have been somehow communicated to [redacted] people?

m

A It probably was communicated to [redacted] that we don't want to repeat the process.

Q And when would that have been communicated to him?

A Monday afternoon, if at all.

Q And that would have been before the meeting with Mr. Sporkin, is that right?

A Uh-huh.

Q Well, what kind of recollection do you have that that kind of information was passed to [redacted]?

m

A I don't have any vivid recollection of that happening.

Q Do you have any recollection of it happening at all?

A No, but I wouldn't be surprised if it was.

Now, again, you have another player into this thing and the fact that [redacted] to the best of my recollection, is in the building and he can be communicating

Po

with C [redacted] and I have no direct knowledge of it. It was not a military chain of command.

Q [redacted] I show you what has previously been marked as Exhibit 2, and direct your attention to the lower part of page 5 where m [redacted] is talking about a telephone conversation he had with C [redacted] crew in Tehran and he said: "When the captain asked for full tanks" -- and then parenthesis -- "(order I had given him because after all those problems which I was aware of because the captain had called [redacted] via telephone from the hotel, I wanted the possibility to take the aircraft directly back [redacted] if necessary.)"

Doesn't that aspect of m [redacted] report suggest that in fact the original plan had been to take the aircraft not back [redacted] but instead back to Tel Aviv?

A It does suggest that, yes.

Q Were you aware that that was the original plan?

A No. I would have been against that original plan if were aware of it.

Q Where was PO [redacted] during the time he arrived and the time you went to [redacted] office to get the instruction about going to see Judge Sporkin?

A Within [redacted] headquarters building.

tp 5
cont'd

CAS-1
follows
EMM

Q So he was down in the room where you all are?

A Uh-huh.

Q And do you know whether or not at any time during that day he spoke to Mr. Clarridge?

A No, I don't.

Q You didn't see him meet Mr. Clarridge?

A No, I didn't.

Q Do you know if at any time during the day he met with [redacted]

A No, I don't.

Q But you do know that he did meet with C [redacted] during the day?

A I would be highly surprised if he didn't.

Q Did you see the two meeting at all?

A I don't recollect it. If PO [redacted] was in there, in the room, and C [redacted] was in his corner, which is separated and does have a door, I wouldn't -- I would find it highly unlikely that PO [redacted] and C [redacted] didn't meet with each other.

Q All right. Did you and PO [redacted] discuss other proprietary matters --

A Oh, I am sure we did.

Q -- during that day?

A Yes. I am sure we did. What they are, I don't know.

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CAS-2

PO

Q How much time do you think you spent with [redacted] on that Monday?

A I have no way of even estimating.

Q Well, he arrived at noon and you were off to see Mr. Sporkin at five. How much of those five hours do you think you spent with PO [redacted]

A Anywhere from 15 minutes to two hours, I don't know.

Q Do you recollect having any discussion with him about putting a hold on further flights? This is with PO [redacted]

A No direct recollection of that until after the Sporkin meeting, I called him at his hotel, said [redacted] PO we are not going to do anymore until you get further guidance.

Q Why don't we go then to the meeting with Mr. -- actually, the first -- in [redacted] office. There comes a time on Monday and you are called in to speak with [redacted] is that right?

A Uh-huh.

Q Who called you in, do you recall?

A [redacted]

Q And is he down [redacted] there, too?

A No. At that time he was on the third floor. Opposite end of the building.

Q Did you go up by yourself to his office?

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CAS-3

A Yes.

Q Who else was there when you got there?

A [redacted]

Q And was it just the three of you who met, or was there anyone else who later came in or anyone else who attended?

A I don't recall anyone else.

Q About what time of day was this?

A Five-thirty.

Q What did [redacted] say?

A The meeting was fairly short and sweet, and the fact that DDO had directed [redacted] and I to go over and discuss the weekend's activity with the Office of General Counsel, could we go immediately. The answer, of course, was yes.

Q Did [redacted] comment at all on the weekend's activities?

A I don't recall any direct comment. In the back of my mind is something saying that the implications were that DDO wasn't very happy.

Q Did [redacted] himself seem to be unhappy?

A No.

Q But the implication was that DDO was unhappy?

A That is right.

Q Was Mr. McMahon's name [illegible] during that meeting at all?

A I don't know whether McMahon's name or the DDO was used. They are synonymous.

Q Just one other point before that meeting. This time when you are getting a chance to talk face-to-face with PO [redacted] for the first time about this operation, it is the first time you haven't had to worry about secure phone calls --

A Uh-huh.

Q It would seem that would have been a chance where you could have sort of discussed more freely what had happened over the weekend. Do you recall that type of conversation happening?

A Oh, I am sure we did. As to what directly resulted from that, I can't elaborate on at this time. I don't have any recollection. You have to remember that even though I was now face-to-face with PO [redacted] that isn't the end of this communication process that was done in an unsecure mode. So wha PO [redacted] knew at that time probably wasn't a great deal other than what had been communicated in a non-secure mode.

Q Do you recall whether he asked at that point what the cargo had been?

A No, he didn't.

Q You sure he didn't ask that?

A Ivory- pure percentage, yeah.

CAS-5

Q How frequently does [redacted] visit the --

A At that point, about [redacted]

Q What is your working relationship with [redacted]

A At that time?

Q At that time, yes.

A Well, he was my boss' boss.

Q Do you have much direct contact with him in your day-to-day work?

A Not other than an accompaniment with the boss or in the boss' absence.

Q And do you know why it was tha[redacted] was selected as one of the people to go and speak to --

A No, I don't.

Q -- Mr. Sporkin?

A No, I don't.

Q It seems a little strange in some ways since from what I gather from what you are saying he didn't really have involvement in the weekend's activities; is that right? Not that it is strange --

A I didn't say he didn't have any involvement. I said to my knowledge he didn't have any involvement. Now why his boss determines to send myself in [redacted] place, being tha[redacted] had gone home, and in his place, I can't comment on that. I don't know.

CAS-6

Q Was it your understanding that someone had -- strike that.

Someone must have contacted [redacted] before he called you in to get the message across that you had to go speak to Mr. Sporkin; isn't that right?

A At the direction of DDO, according to [redacted] we were to proceed --

Q Do you have any indication as to when it was the DDO spoke to [redacted] about the need for you to talk to Mr. Sporkin?

A I don't. I wouldn't assume he would wait until 5:30 to tell us. It could have been done at noon.

Q It is the kind of thing that would be communicated right away; is that right?

A Yeah.

Q And as I understand, you and [redacted] then proceeded to drive separately over to [redacted] where Mr. Sporkin's office is; is that right?

A I am having a little trouble determining whether it was separately or together, but I believe he took me to my vehicle in the parking lot, and that we drove two vehicles over.

Q When you say "he", you mean [redacted]

A Yes.

Q You mentioned before that [redacted] had left for the day. Do you know when he left for the day?

A No.

Q Was he gone by the time you went up to speak to [redacted]

A Definitely, or I wouldn't have been there.

Q About what time do you recall arriving at Mr. Sporkin's office?

A Six to 6:30.

Q Who else was present at Mr. Sporkin's office?

A There were two other people to the best of -- besides [redacted] -- to the best of my knowledge, one of them I understood to be Mr. Sporkin's deputy or assistant, and the other one, I don't remember who that was.

Q So you recall a total of five people at that meeting?

A Uh-huh.

Q Mr. Sporkin, Mr. Sporkin's deputy, yourself, [redacted] and a person whose identity you don't know; is that right?

A Yes.

Q Did you understand that that fifth person, whose identity we don't know, was an attorney?

A Since we were at OGC, I think I assumed, and as I described to you earlier, it was a crowd of lawyers.

Q Was it a man or a woman, this fifth person?

A I don't know.

Q Could it have been a woman?

A If I don't know, how can I answer that?

Q All right. That is fair.

Is your recollection fairly firm that there was five people rather than four?

A I know there were four. I think there was a fifth. Everyone has a badge around their neck, that is fine with me, and we will proceed on.

Q What transpired at that meeting, as best you can recall?

A A basic description of the weekend's events, very few questions. [redacted] asked Mr. Sporkin as to what his reading on it was. A basic, I can't tell you that, I'll tell th DDO that, but you shouldn't proceed any further.

Q That was Mr. Sporkin's directive?

A Uh-huh.

Q Yes?

A Yes, okay.

I went home.

Q You went home after the meeting?

A Uh-huh.

Q About how long did the meeting take?

A Thirty, forty-five minutes.

Q What did you understand the purpose of the meeting to be?

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CAS-9

A For me to advise of [redacted] and I to relate the weekend's activities, for him to do whatever he needed to do with DDO.

Q Who did most of the talking as between you and [redacted]

A

Q Did he seem to have a fairly good grip on what had transpired over the weekend?

A On the basics of it, yes.

Q And do you know how he came to know that information?

A No.

Q What was said by either you or [redacted] about the nature -- strike that.

Basically, what you described to the lawyers was that the proprietary had handled the flight of cargo of some sort from Tel Aviv to Tehran; is that right?

end 5

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A Uh-huh.

Q And did you explain that it was the first of a series of flights to move a total amount of cargo?

A I think the explanation was that we had moved approximately a third of the cargo and stand ready to do the rest upon concurrent approval.

Q And at that point, where was it that you felt additional approval needed to come from? Do you know?

A As I stated earlier, I recollect being told that we were not going to proceed further without more approval, and that that was going to be requisite on this meeting with Judge Sporkin.

Q And just to go back a little bit, who was it that you recollect having told you earlier that you shouldn't do anything more without further approval?

A [redacted] C

Q C

A Yes.

Q Back to the meeting with Mr. Sporkin. What, if anything, was said at that meeting about the nature of the cargo?

A Nothing.

Q Was there any question asked about what was the cargo?

A Yes, I think the question was asked why did it take so long to load it. The response was the same as for the previous one given about the weight.

Q But you recall nothing being said at that meeting with Mr. Sporkin by either you or [redacted] about the nature of the cargo beyond its weight and dimensions? Is that right?

A That's right.

Q Is that a firm recollection?

A Yes.

Q Was there any mention that it might have been oil-drilling equipment?

A I don't believe so.

Q Was the possibility that it might be military equipment alluded to or mentioned or questioned?

A No.

Q Did anyone say anything about whether or not a covert action finding would be necessary during that meeting?

A Not to my recollection.

Q Were there any questions about why the proprietary would have taken anything at all to Tehran?

A There most probably was answered NSC direction.

Q You believe that the NSC role was mentioned during that briefing?

A Yes.

Q Is that a fairly firm recollection?

A Yes.

Q Was Mr. Clarridge's role mentioned during the meeting?

A No.

C

Q Was [redacted] role mentioned?

A Yes.

C

Q And what was said about [redacted] role?

A As he being the person that I was primarily in contact with over the weekend, other than -- not primarily, that I was in contact with over the weekend.

Q Was it related that there had been ADDO approval --

A Yes.

Q -- for the flight?

A Yes.

Q Was it mentioned that -- probably at that time [redacted] flight was still in the air enroute back [redacted]

A No.

Q You don't recall that coming up?

A No.

Q Do you have a firm recollection it did not come up?

A No.

Q Did the question of problems of flight clearances [redacted] or elsewhere come up at that meeting?

A I believe so. That was mentioned as a problem with the flights.

Q What was said on that subject?

A That a mistake had been made by the customer demanding [redacted] be the tech stop, and this had resulted in an overflight problem [redacted]

Q Was the matter of the pilot having to filibuster his way [redacted] discussed at the meeting?

A May have been. I don't think we had a knowledge of that at that time. But it, again, is not a surprising matter.

Q Do you recall any of the lawyers exhibiting any curiosity at all as to the nature of the cargo?

A No.

Q Were they surprised that you didn't know what it was?

A No.

Q Did they want to find out what it was?

A I don't know.

Q They didn't say, "Please find out what it was for me"?

A No.

Q Was there any mention at the meeting by anyone that CIA offices had been involved over the weekend in trying to get flight clearance assistance?

A No.

Q To the extent that flight clearance problems or flight clearances were discussed at all, it was limited to --

A What problems -- tell us what happened.

Q And you didn't know that efforts had been being made [redacted] and through [redacted] to try to get flight clearances. You were not aware of that at the time; is that right?

A I was aware of it at the time that efforts had been underway with not [redacted] but through some channels [redacted] of getting overflight clearances through my contact with C [redacted] when we'd ask him for help. He indicated that he would try to help.

Now, what those were directly, I have no knowledge at this point.

Q Did you have any knowledge that there had been CIA assistance in efforts to try to get flight clearances [redacted]

A No.

Q -- over the weekend? You had no knowledge of that?

A I don't to this day.

Q I'm sorry to jump back but --

A Sure.

Q Do you recall when it was that you had the conversation with C [redacted] in which he indicated that efforts were being made elsewhere in CIA to get assistance on flight clearances [redacted]

A Monday. During the day sometime.

Q That would have been after -- so he would have been telling you that after the fact; is that right?

A Yes.

Q You didn't know about that at the time; is that what you're saying?

A I don't believe so. We're into a very fuzzy area, again, several months ago.

Q Was the subject of hostages or hostage release mentioned at all during this briefing?

A No.

Q Did the lawyers seem troubled by what you were telling them?

A Not knowing the individuals, I can't comment on that. I don't know.

Q And the meeting ended with Mr. Sporkin stating that no further flights would take place without further approval;

is that correct?

A To the best of my recollection, yeah.

Q And it was also made clear that, at least according to the original plan, at least two additional flights would need to take place if all the cargo were to get to Tehran; is that right?

Was that made clear to the lawyers?

A Again, what was made clear to the lawyers as we understood it, approximately a third of the cargo moved. If we were going to proceed with 707s, it would take two more flights. That may have come up.

Q Let me just say -- and I am stating it for the record and I'm not drawing any conclusions -- it is the firm recollection of at least one of the lawyers who attended that briefing, Ed Dietel, who actually was deposed earlier today, and stated under oath that he firmly recalled that weapons and missiles and the movement of missiles were brought to his attention by the two people that briefed him that evening.

So this is a matter that we're trying to resolve and it's frustrating for us.

A I understand.

Q Can you give me any reason as to why there is a discrepancy on that point?

A Other than if he had knowledge prior to us getting that. It is my firm recollection that the nature of the cargo, other than size, was not discussed. I was curious and, as I discussed earlier with you, to this date, I find nothing other than The Washington Post that says there were missiles.

(Exhibit Number [redacted] was marked for identification.)

BY MR. CAROME:

Q [redacted] I show you what has been marked as Exhibit Number 4. It appears to be a cable from [redacted] [redacted] to, I believe it's to -- calling for action by Mr. Clarridge. It is dated the 25th of November, 1985, [redacted] zulu time, which would place it somewhere around [redacted] on Monday -- that Monday morning.

Have you ever seen this cable before?

A No.

Q I notice that up at the top, it says -- there's a line -- the third line of the cable says, "ADV." Do you know what that stands for?

A Advance.

Q Notified c/u -- Europe -- I guess that means Clarridge. What does that mean?

A There would be a, what's called a soft copy of this cable that comes in to wherever this comes in and this was not a normal staff cable.

That would be -- that's produced by the computer prior to this hard copy for distribution coming out. You notice also it's an "Eyes Only" cable.

Q And the next -- after the comma, it says, C [redacted] Is that C [redacted] we've been talking about or is that someone else?

A I don't know. It's not spelled correctly if it's the same person that we're talking about.

Q What does the -- does this suggest that the same treatment of the cable -- the same early version went to both Clarridge and to this C [redacted]

Is that what this entry at the top indicates?

A Uh-huh.

Q Yes?

A Yes. At least the notification. Again, you're looking at what, [redacted] in the morning, and probably the duty officer notified those individuals at that time that there was a flash cable.

Q Now, the last line and a half of the second paragraph says, "The pilot told ground control that he was carrying military equipment." Is that --it's the aspect of this cable that piques my interest.

A. Uh-huh.

Q Is it your firm recollection that on that Monday,

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you did not see this cable?

A More than firm recollection; this is the first time I've seen this cable. In fact, I'm not cleared to see that cable. It's an "Eyes Only" cable.

Q I will -- here's a return cable [redacted] from headquarters which the third paragraph I will just read into the record. (Exhibit [redacted] 5 marked for identification.)

It states, "Equipment on board is, indeed, spares for the oil industry, but that is not to say that it may not also have some specialized medical equipment or supplies mixed in with it. I simply cannot understand why the pilot told ground control that he was carrying military equipment or perhaps that is what he thought he was transporting."

Do you have any recollection on that Monday of a message being sent to [redacted] on the subject that I just read?

A No. What time is the time of transmission?

Q Just -- I'm glad that you brought that up. For the record, this is a cable -- it has a CIIN number 2184/a and it's dated at the top as December 25, 1985, and the time is [redacted]

I don't believe I will use this further. The witness has no recollection. Actually, I was concerned that I might not want to show it to him since he was concerned that he

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had seen the other.

A "Eyes Only" cables are that within [redacted] whether they've been downgraded or not.

Q Just out of -- strike that.

Could you tell me how, within [redacted] an "Eyes Only" cable would be treated?

A It would be treated to the -- and only to the distribution and attention of the people who are allowed to receive that cable.

Q And would you conclude, based on the information at the top of Exhibit 4 -- strike that.

What happened after the meeting in Mr. Sporkin's office? I take it that both you and [redacted] then left; is that right?

A We definitely left. Where he went, I don't know. I went home. I called PO [redacted] at his motel room, still in Washington, D.C., and told that under no circumstances was the airplane to proceed on another sortie without direction from [redacted]

Q About what time, if you can recall, did you make that call to PO [redacted]

A Eight o'clock, nine o'clock.

Q And did you make that call from home?

A Yes.

Q Did anything happen further that night on the subject of the Iran flight?

A Not that I can remember.

Q Do you recall talking any further with
PO
[redacted] after that one phone call?

A No. I don't know when he went home, whether it was Tuesday morning. Somewhere along the line, we had to firmly close the case with him and tell him that positively we wouldn't be doing this again.

Q And do you know when that firm closing took place?

A Sometime Tuesday.

Q Sometime Tuesday, November 25th?

A Yes.

Q In that call at around 8:00 on Monday evening,
PO
was anything else said by either you or [redacted]

A I don't recall anything else said.

Q What happened when you -- what was the next thing that happened on this subject?

A I think you'll have to --

Q Well, you arrived at work on Tuesday morning; is that right?

A I think so.

Q And on Tuesday morning, was anything said about further action on the Iran --

A Somewhere in that time frame, it came -- the fact that we're not going to be doing anymore and that's a DDO directive.

Q Who communicated that to you?

A To the best of my knowledge, C [redacted]

Q And do you recall about what time that was communicated to you?

A No, I don't.

Q But it was definitely Tuesday morning?

A It was sometime in that time frame. It --

Q When you say sometime in that time frame --

A Tuesday, Wednesday, Thursday. I don't know when it was.

Q A few days might have passed; is that right?

A Yes, but I doubt it seriously. If we were to bet next month's salary, we'd bet on Tuesday.

Q All right.

Q Do you understand who C [redacted] received that directive from?

A I understand it was from [redacted] possibly through [redacted] but I had nothing to substantiate that. That would be the normal chain.

Q Was anything else said to you by C [redacted] about the activity?

A No.

Q It was certainly unusual for you to have been called over to the lawyer's offices to discuss --

A Oh, yes.

Q But you don't recall sort of just having a general discussion with anyone else about the event?

A No.

(Exhibit Number [redacted] 6 was marked for identification.)

BY MR. CAROME:

Q [redacted] I show you what's been marked as Exhibit 6 and ask you if you recognize what that is.

A It appears to be another memorandum.

Q Does it appear to be a memorandum prepared by
m [redacted]

A Yes.

Q And do you know when you would have first seen this?

A It appears to be dated November 3~~1~~0, '85, so it was probably brought up by PO [redacted] in his next visit up where he brought the previous two exhibits that we've addressed as memorandums from m [redacted]

Q And can you place a date on that next trip up by PO [redacted]

A A week or two after the 25th of November.

Q That would have been more frequent than his usual monthly visit; is that right?

A Uh-huh, I said approximately once a month, I believe, when we were looking at that time frame.

Q And now this is a meeting coming up just a week or so later; is that correct?

A Uh-huh.

Q Do you know why that was?

A No.

Q Was that prompted at all by this Iran activity?

A Could be. As you can read from m [redacted] original -- or previous memo -- he wasn't very happy about the amateurish ways things had been done and he was probably prompting PO [redacted] to come up and relate these sort of concerns that cover for the proprietary.

Q The second paragraph of what's been marked as Exhibit 6 says, "After the first flight when I had [redacted] and Schwimmer called me on Tuesday in my office I told him that the money had not arrived yet as promised and that before we discuss it further, we needed our money."

I have two questions. It says "before we discuss it further." Do you know what that refers to? What is the "it" that is being discussed further?

A Payment, I would assume.

Q Not further flights?

A I've answered your question. Payment, I assume. It could be further flights.

Q Were you aware of these discussions going on relating to payment after the first flight had gotten back [redacted]

A Not at that point, no. Later on, I became -- whenever this was brought up or discussed by [redacted] PO that there was a problem in payment and it came down to something like a $700 discrepancy that I was kind of wondering why we were worrying about the $700 at that point.

Q Ultimately there was an additional payment of $700; is that right?

A Somewhere in that general category of expense.

Q I ask you to take a look again at Exhibit 2. Do you know who asked that this report by [redacted] m be prepared?

A No, I don't. I would offer to you that it probably didn't have to be asked to be prepared. m [redacted] vented his frustration over the whole operation.

Q I show you what's been marked as Exhibit 1, which I think we agreed before was, in all likelihood, PO [redacted] handwritten notes. Do you know when you received these?

A I had not seen these until you handed them to me.

Q The middle of the front page -- there's a reference to [redacted] A/C. What does that -- I understand the A/C probably stands for aircraft. What does [redacted] stand for?

A The [redacted] aircraft that's [redacted] That's the registration.

Q Can you shed any light on what the last line on page 1 of this Exhibit 1 says or means?

A I can't make it out. He writes worse than I do.

Q Okay.

On page 2, about in the middle, there is a reference "Dewey." I assume that's Dewey Clarridge; is that right?

A I can't relate; I didn't write the document.

Q Do you know whether or not at any point, you told [redacted] that one of the people in the link on this matter was Mr. Clarridge?

A No, I don't know that I did that.

Q You don't recall one way or the other; is that right?

A No.

Q If you could turn to the third page and there's an entry that says "1900 22 November watched CBS report," and then it's blacked out. Then it says, "Called [redacted] He said seen and was standing by for instructions."

Do you have any idea what that might refer to?

A No.

Q Okay.

A I'm not being evasive with you; I just don't know.

Q I understand. I understand.

The last page of that exhibit --

A It gets worse, doesn't it?

Q It sure does.

Towards the bottom, after the broken squiggly line, it seems to say, "On ground [redacted] no cargo doc," maybe that means no manifest --

A No document.

Q Do you know what the next line down from that says?

A No.

Q It might say, and I don't know whether it does, the second word seems to be "North," the first might be "MR." It might also be "NR." You don't know what that refers to?

A No.

Q And as far as you know, did Mr. North's name ever come up at any time over that weekend?

A No.

Q I show you what has been marked as Exhibit 2 and on page 5, the first full sentence says, and I believe this is someone on the ground in Tehran saying this: He then mentioned that "they," I take it the Iranians, were expecting four more flights from Tel Aviv. Do you have any recollection of having it reported to you in the November time frame that this conversation took place on the ground at Tehran?

A No.

Q Do you have an unredacted copy of this document in your papers? There's one question that I might be able to answer just by looking at that.

A Why don't you ask the question.

Q Well, if you look at page 6 of this document, first of all -- I actually have two questions on page 6. The second sentence on page 6 says "The aircraft was directed by radar off the airways a little more to the north than normally, close to the Russian border."

A Uh-huh.

Q Why is it that [redacted] would be in a position to know what is the normal route out of Tehran? Do you know?

A Well, he seen it was off airways. Aircraft

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normally fly on airways which are just like highways in the sky. In this particular case, he seen that they were directed off the airways.

Q And one wouldn't have to have flown into Tehran frequently to know what the normal route --

A No, it's published.

Q All right, that answers my question.

The second to last sentence here at the top says -- actually this is a somewhat different version than the one I'm looking at, but "based on all this information, I ordered the captain via radio to proceed directly [redacted] and not to land [redacted], which we had planned initially."

What do you know about the initial plan to land [redacted]

A No knowledge other than the aircraft was to return [redacted]

Q And how did you know the plane was to return [redacted]

A That's what I understood that the proprietary manager had instructed his crew.

Q I'm wondering if the flight [redacted] was part of the original plan which would have been to get the plane back to Tel Aviv for another flight? Does that seem correct?

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A Someplace other than [redacted] obviously. Because we don't want to repeat that fiasco, nor do you want to start the chain of events.

Q This sentence suggests that it wasn't, then, until the flight was airborne out of Tel Aviv that the decision was made not to proceed with the additional flights; does that seem correct to you?

A I have no -- no knowledge. Again, it was almost a moot point, being that they had crew rest to go through before they could even think about doing this again.

Q On paragraph 3, towards the bottom of page 6 of that document, it says, "In Tel Aviv, the aircraft was on the military side and loaded by high-ranking military personnel who were not accustomed to this type of work."

Does that change your recollection at all as to whether or not you learned over that weekend in November that it was military people who were handling the loading in Tel Aviv?

A No, it doesn't.

Q Your recollection is still that you didn't know that; is that right?

A I didn't know. That's right.

Q If you could turn to the last page of this memorandum, this is where [redacted] is giving his idea of how the world should work.

There's a sentence about a third of the way down that says, "However, it cannot get worse than it was during this last mission and it could have been performed totally clandestine had above proposed meeting taken place in advance."

This seems to suggest that there was something that was not totally clandestine about the way this flight had worked. Do you know what it is that m [redacted] might be referring to?

A Well, considering directions of the customer to proceed through Tel Aviv and direct contraventions in normal aviation policies overflight m [redacted] probably didn't consider that a professional way to do the flight that was not supposed to draw attention.

(Exhibit Number [redacted]-7 was marked for identification.)

THE WITNESS. Are we going to finish this by 7:30?

MR. CAROME. I'm not sure.

THE WITNESS. Are we going to try?

MR. CAROME. I'm trying.

THE WITNESS. Okay.

BY MR. CAROME:

Q [redacted] I show you what's been marked as Exhibit Number 7, and I ask if you recognize that document?

A Yes, I have a copy with me. It appears to be a billing document.

Q Can you tell me what the entries on it mean?

A I'm not an accountant, but it appears that a total of $127,000 on this particular ledger was put into the account from Lake Resources on the 29th of November.

Q Is this a document that would have been forwarded to you in the November, December '85 time frame?

A No. This is held [redacted] in their accounting procedures tracking the money.

Q Did you know what Lake Resources was in the November-December 1985 time frame?

A No. Did I know of the existence of Lake Resources in November-December '85 time frame, no.

Q I'd like to return -- turn to the subject of any previous flights --

A Uh-huh.

Q -- by [redacted] into Tehran. You said before it was your recollection that there had been one. I think -- I think I have documents suggesting that there were two, and I'd like to see if you could help me with those.

A You bet. Let's substantiate an August of '85 flight.

Q Pardon?

A Let's substantiate as having happened an August of '85 flight.

Q That's the flight you recall; is that right, an August of '85 flight?

A [redacted] to Tehran with 30 tons of smokeless powder.

Q And I believe you told me before that was actually from [redacted]

A That's right, [redacted]

Q To Tehran. Is that correct?

A Yes.

(Exhibit Number [redacted]-8 was marked for identification.)

BY MR. CAROME:

Q [redacted] I show you what's been marked as Exhibit 8. It's a -- actually it may be one that you have here in your folder. I think it is.

tape 7
fls

lt starts
tape 7

And one we looked at before. And I draw your attention at this point to the paragraph 4, which says, "Tehran Situation." Again, this is November 21st, 1985, and it says, "A flight was made from [redacted] to Tehran with Boeing 707 on the 14 November 1985 [redacted] The aircraft was there escorted by Iranian fighters until it reached Tehran. There is one more flight coming in December from [redacted] which we are negotiating presently. Three more flights are planned beginning '86 to go from [redacted] -- I guess that's [redacted] We will be informed about those."

A Uh-huh.

Q Do you know what all of that refers to?

A Yes.

Q First, let me ask you, this appears to be a memorandum prepared by [redacted] is that right?

A Uh-huh.

Q And it's probably something that he provided to PO [redacted] is that right?

A Yes.

Q And it's probably something that PO [redacted] ultimately provided to you; is that right?

A At least to the Chief [redacted]

Q All right.

What is it that you know about this paragraph 4 here?

A If you look at paragraph 4 in conjunction with paragraph 5 on the next page, you'll see that this commercial concern bids on some and is offered various flights [redacted]

And this is just reporting on flights that have been offered to them, possibly bid by them, but not accomplished.

Paragraph 5 is a very similar thing to paragraph 4, talking about a flight from [redacted] to -- and from [redacted] to Tel Aviv.

Q And --

A Those flights were not accomplished.

Q I notice that the first sentence of this paragraph, where it says, "A flight was made from [redacted] to Tehran with Boeing 707s on the 14 November '85, [redacted]

That seems to suggest that a flight had taken place.

A A flight was made most probably, not necessarily by [redacted] proprietary, but by one of his competitors.

TOP SECRET
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And he's reporting on that competitor's activities.

Q Are you certain that this is not a flight by a 707 of [redacted] being referred to here?

MR. CAROME. Off the record.

(Discussion off the record.)

MR. CAROME. Back on the record.

BY MR. CAROME:

Q My question is whether this November 14th, 1985, flight referred to in Exhibit 8 is a flight that was carried out by [redacted]

A To the best of my knowledge, it could not have been, based on the following construction. Based on the memorandum from the proprietary manager on November 18th, 1985, he relates that the Boeing aircraft, [redacted] which is the [redacted]-registered 707, was painted during the last few days and again, we're a few days from 18 November.

Additionally, I'm looking at a voucher dated 15 November, which pays for freight charges for transport of paint for 707 [redacted] and an invoice [redacted] that I have been told debits request payment for painting of the aircraft.

My proprietary manager has informed me that that airplane was in the hangar for paint on the date specified as 14 November of this flight.

Q And you conclude that the only 707 [redacted]

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could have taken into Tehran is the [redacted]-registered flight; is that right?

A Yes.

Q Is --

A Or we wouldn't have been so hesitant -- m [redacted] wouldn't have been hesitant to fly the U.S.-registered airplane into there approximately nine days later.

Q Do you know whether [redacted] is a city in Iran?

A Sounds like it. I -- no, to answer your question directly.

Q I don't know, either. It may be that in handwriting here on Exhibit 8 is the words "not us." Is that -- can you --

MR. CAROME. Off the record.

(Discussion off the record.)

MR. CAROME. Back on the record.

BY MR. CAROME:

Q If we could turn to this page, we are looking at a memorandum in WITNESS (w) [redacted] file dated 12/15/86, to w [redacted] from PO [redacted] Who is PO [redacted]

A PO [redacted] I'm not sure that PO [redacted] is the correct middle, but it is PO [redacted]

Q And the subject is inquiries about 14 November

1985 flights; is that right?

A Yes.

Q And so in mid-December '86, the same subject that I'm asking you about, namely what was this reference to 14 November '85 flight, that had come up in your mind as well in December '86; is that right?

A I'm not sure it had come up in my mind. It had come up through another investigation which we were answering here about the same subject.

Q What other investigation was that?

A I've lost track.

MR. CAROME. Off the record.

(Discussion off the record.)

MR. CAROME. Back on the record.

BY MR. CAROME:

Q Based on what you learned in December '86, when this issue came up before, namely the issue of the November 14 flight, it was your conclusion, and it still is your conclusion today that [redacted] did not do that flight; is that correct?

A Yes.

Q Was it your understanding that the August flight that [redacted] did perform was smokeless powder and detonators [redacted]?

A From where to where?

Q From [redacted]

A August '85 flight, to my understanding, was smokeless powder and detonators [redacted] to Tehran.

Q That was its -- that's where -- that was the point of origin for the flight; is that right?

A [redacted]

Q Yes.

A Yes, sir.

Q I show you what's been marked as Exhibit 9 and ask you if this document refreshes your recollection at all as to where the smokeless powder and detonators came from.

First of all, have you ever seen this document before or do you know who wrote it?

(Exhibit Number [redacted] 9 marked for identification.)

THE WITNESS. It looks like a document from PO [redacted]

BY MR. CAROME:

Q And you can see in the last line of the first paragraph a reference to 30 tons smokeless powder and detonators [redacted]

Does that refresh your recollection as to where the material was from?

A Yes. And I have never stated where the material was from. I told you where the material was onloaded and where it was offloaded.

Q That's right.

A The end-user certificate of the origination of the cargo looks to be from this document, and we're looking at Exhibit 9, to be originating [redacted] [redacted] not necessarily picked up by our airplane [redacted]

Q I understand that.

Do you know whether or not any legal advice was sought from the CIA General Counsel's Office on the subject of bringing this smokeless powder into Iran on [redacted] plane?

A That's a hard one to answer. In the back of my mind is a recollection of providing what we call a two-way memorandum that I determined to ~~had~~ have gone through the DDO General Counsel on this flight. I cannot locate said memorandum anywhere within [redacted] files.

Q Have you looked?

A Yes, and looked and looked and looked and looked.

Q Do you recall that this two-way memorandum, that some part of it, may have referred to the question of the legal implications of a flight such as this?

A I'm not sure we would tell the lawyer what the legal implication of the flight was. We would state our desire to accomplish the flight and what we intended to gain from such flight and let them rule on the legal implications of that flight.

Q But you recall that the General Counsel's Office was contacted in connection with that flight?

A Yes. The name, I don't have. The documentation I don't have. This is the DDO General Counsel.

Q That would have been Mr. Mayerfeld.

A I don't know.

Q You don't know him?

A I know him, but I don't know --

Q You don't know whether he was the one who was involved?

A No.

Q In fact, that August flight was a lot closer to a truly pure commercial flight --

A Yes.

Q -- than the flight involving the NSC or requested by the NSC in November; is that correct?

A That is a judgment one can render, yes.

Q Do you believe that's a fair judgment?

A Yes.

MR. CAROME: Let me mark this as the next exhibit.

THE WITNESS: Do you have a well you're hiding those things in?

(Exhibit Number [redacted] 10 was marked for identification.)

THE WITNESS: Can we go off the record for just a minute?

MR. CAROME. Sure. Off the record.

(Disqussion off the record.)

MR. CAROME: Back on the record.

BY MR. CAROME:

Q I show you what's been marked as Exhibit 10 and ask you to take a look at that and -- it may be that you've never seen this document before, and if that's the case, we can get right off the subject, but can you tell me whether you've seen this document before?

A It's ever a great probability that I have seen Exhibit 10, however, I can't, in essence, testify to certainty that I've seen it. There were several memorandums for the record done in the November '86 time frame to attempt to provide our management levels with what is understood about the particular flight that we spent four hours talking about. And this could be one of those drafts or one of those actual memorandums. It does look familiar, yes.

Q Is it possible that you are the person who prepared this?

A I don't think so.

Q Is it possible that you played a role in pulling together the information for this?

A Yes.

Q Let me ask --

A The reason that I say it was not me who prepared it is paragraph 1, next to the last sentence, it describes the cargo.

Q And that's the paragraph that references the fact that it was Hawk missiles and it's your testimony that to this day, you're not aware about that.

A That's right.

Q Is that right?

A That's correct, yes.

Q There's -- in the sixth paragraph of Exhibit 10, the second sentence says, "We in CIA did not find out that our airline had hauled Hawk missiles into Iran until mid-January when we were told by the Iranians."

Do you know who the "we" is being referred to there?

A No, I don't.

Q In any event, that wouldn't include you; is that right?

A No.

Q Because you didn't learn that in January.

A That's right.

Q The fourth paragraph refers to arrangements for the airline to pick up the parts [redacted] In your recollection, was it ever anticipated that a [redacted] plane would pick up anything [redacted] in the November '85 time frame?

A As you were going through the initial establishment of where, when and what, [redacted] may have been mentioned as a possible pickup point.

Q Do you recall that coming up?

A There were so many places mentioned and so much guess -- guessing that [redacted] could have been one of the points.

Q In the last paragraph, it says "Senior CIA management found out about the flight on 25 February."

Do you know what that refers to?

A No, I don't. That would be Monday, right?

Q That was 20 -- it says 25 February. I gather that means '86.

A Oh.

Q You don't know what that refers to?

A No. What is the source of your document that you have extracted here?

MR. CAROME: Can we go off the record.

(Discussion off the record.)

MR. CAROME: Back on the record.

BY MR. CAROME:

Q On a somewhat unrelated subject, [redacted] do you have any information about a proposal to move [redacted] to Tehran that was made to [redacted] proprietary?

A From where to where?

Q [redacted] to Iran.

A I have here a memorandum for the record that was forwarded, as far as the counsel for the Deputy Director for Operations, that described a flight [redacted] to Tehran in January '86 time frame. At that point, we thought it to be armaments of some sort, but did not know the true nature of the cargo.

[redacted] The request was denied by Mr. Mayerfeld, DDO Counsel.

The flight did not occur.

Q Okay. Just for the record, this is a document dates January 29, 1986, titled "Memorandum for the Record: Subject, [redacted] Propietary Flight to Tehran."

Q [redacted] do you know of any other flight activity involving [redacted] in which there was U.S. Government involvement in which the payment was made by a private party rather than the Government?

A No.

Q This November '85 flight to Tehran is unique in that respect; is that right?

A Yes, sir.

Q Did you subsequently learn anything about the references in the report by -- I guess it was the report by [redacted] -- about the cargo having been previously offered [redacted]?

A I'm sure when that report arrived, it was discussed as to when previously offered [redacted] or supposedly previously offered [redacted] As to the, you know, the outcome and the genesis of that discussion, I have no recollection.

Q You don't recall whether or not, based on what you now know, even things learned after November '85 -- strike that.

You don't know dates on anything you've learned after November '85, whether or not the cargo had, in fact, been earlier offered [redacted] is that right?

A That's correct. However, it wouldn't be uncommon for a flight of this character to be offered to an airline [redacted] In the cargo brokerage business, the requirement sets their brokers then attempt to find a concern that will accomplish that requirement.

Q Is it possible that in [redacted] records, there might be documents that would refer to the earlier offer?

A If there are documents, they have since been reproduced and are available somewhere in this myriad of all PO [redacted] files relative to -- which you received. The memorandums from m [redacted] have all been reviewed and reproduced and provided through the various means.

Q Do you know if m [redacted] files have also received the same treatment?

A To the best of my knowledge, they have. He does not maintain files of that type that are not forwarded to PO [redacted].

MR. CAROME: Let's go off the record.

(Discussion off the record.)

(Whereupon, at 7:30 p.m., the deposition was adjourned.)

[redacted] Chapter 10, Footnote 10

22 Nov. 85

UNCLASSIFIED C 6535

Ex 1

1600 Hrs 22 Nov 85

AIR BRANCH (AB) [redacted] Called Requesting availability of Both 707s [illegible] Moving Sensitive Hi Priority cargo 240,000 lbs

80 pieces 3360 lbs Ea measuring 18' L X 2½' W X 3½' Tall

Needed Pickup & Destination was Tel Aviv to [redacted] [illegible] Day or so coordination, was determined That Both Aircraft could be made available one was on The ground [redacted] Scheduled for Sat [illegible] [redacted] The Second one was delivering cargo To [redacted] and Then to [redacted] [redacted] D contacted [redacted] and had the Aircraft and crews put on Standby. It Later developed That the [redacted] A/C had landed. Loaded and departed for [redacted] leaving only one A/C avail for the flight immediately.

7/0 1800 Hrs Final approval was given and I was advised That Richard COPP would be contacting [redacted] about 2000 This did happen and by Then knew the Second aircraft was not avail. Customer agreed to 60K plus all expenses and was to arrange fuel and Clearances at Both Ends for Estimated 3 Loads. COPP had no problem with using only one aircraft. The First flight was Scheduled departure from [redacted] 0600 GMT

2200 Everything was [redacted] and again no news good News.

DO 26199 3 3C 2/43

4218

1000 Hrs 23 Nov AB [redacted] Called no problems so Then.

I informed them of [illegible]

C IIN 2537

Partially Declassified [illegible] 1988
by R.

REVIEWED FOR RELEASE
Date 20 [illegible]
HS/CSS

UNCLASSIFIED [redacted]

C- 6536

10 Nov.. Later [redacted] called to inform me That the 1st Aircraft was late leaving [redacted]. He had diverted The second A/c at The request of the customer. The [redacted] had also requested w/ further move the cargo to Tehran. [redacted] (message) indicated The was The same (?) he had earlier reported to us [redacted]. If we declined to do this he indicated he needed to go to [redacted] to Geneva [redacted] and take money. I passed this on to (AD) [redacted] and he to (C/AB) [redacted] and (C/EUR) [Dewey]. He called back that They were considering it. [redacted] did not want (money) [redacted] to get out of Touch with the customer long enough to make money...

[redacted] to Destination [redacted]? Why

[redacted] Checkman & Freeborn — [redacted]

[redacted]

1700 [redacted] arrive

2000 Change Loading so [redacted] Reserve

3/11 - [redacted] Code

12 Jan 88

3 32 2/43

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DO 26198

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Date 20 Apr 87
HSC/SSC

CIIN 2537

[redacted] UNCLASSIFIED [redacted]

[redacted]

1900 22 Nov [illegible] Watched CBS report [redacted]

2000 [illegible] Called [redacted] He had seen and was standing by for instructions.

OC/AB

2015 Called [redacted] He had seen and not [illegible]

C/AD

2200 [redacted] called to inform me that the [illegible] was moving [redacted] staging in place.

employee

1120 23rd [redacted] called with some [illegible] question should [redacted] sign be taken down

Routing - Entry [illegible] Exit Point [illegible] & Time

ETD [redacted]

effect

NOTE: No direct [illegible] routing avail - indirect et planned Route dangerous - Comment.

No

8 mi min

[illegible] M out :18 min After T.O.

ARRI

ALRAM 1:24 after [illegible]

1:42

Tehran :46

(:15) 12 = TABRIZ NW corner

1400 [redacted]

ETD 1600

T.O.

14[illegible]

3 [illegible] BC 2/4

North The South

REVIEWED FOR RELEASE Date 20[illegible]

A/C Ready - No Money

0550 - No Traffic Signals

- No Guidance [illegible]

In [illegible] TR

CIIN 2537

[illegible]

C 6538

guy at local site says

135 – [redacted] hosts 8000. – Cargo in ? ....

1150 reconfirm aircraft. based on people at site assurance of [illegible] boats

[redacted] ETA / Via. Bonus for Employees

have to travel - Land @ [redacted] 6K

14 Hrs to unload. → Two groups in the Div.

dont come back direct [redacted] → 2+ hrs. to load

1 aircraft.. Very Rich guy.. →

130 + 1:30 + 1:30

+40 +1:3 [redacted]

20.00 :40

20:40

1:30

22:10

[redacted]

2000 Z dep

2040 Z

2210 Z

0010 Z 24 hr

1410 Z 24 hr

2100

0010

On ground [redacted] No Cargo Doc

Mr. North.

Just off.

2½ Hrs after Landing

ARR 2

19:00 [redacted] Tomorrow Evening

00:00

[redacted]

20. [illegible]

3 32 2/43

DC

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CIIN 2537

20 Aug 82

ECJSSC

Ex 2

30 Nov 8

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MEMORANDUM 301185

[redacted]

Re.: Mission TLV/THR

[redacted]

1. CHRONOLOGICAL REPORT

PHASE [redacted] - Contact and Contract

Friday afternoon 22 Nov first info to me vi[redacted] that I would be contacted concerning an urgent flight and that it was in our interest to perform those upcoming flts.
At about 20 00 Local time I was contacted by a certain Mr.Richard Copp[redacted]
He asked me whether I had already been informed about a mission, which I denied. He then explained to me that there had to be 3 flights done as quickly as possible " Government to Government' from Tel Aviv [redacted] After a short discussion we agreed that we could do it with [redacted] aircraft consecutively for a flat fee of 60 000.00 USD plu[redacted]el, landg,handlg had to be paid by him. Further it was agre[redacted]t second Boeing would be made available on request should t[redacted]tter get urgent.
During my subsequen[redacted]e conversation to our [redacted] I referre to my MEMO 211185 par[redacted] and questioned the way it was displayed to me and supposed [redacted] this cargo was the same as in my memo indicated. This was [redacted]d.

Partially Declassified/Released on 3 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

PHASE II - Positioning

Our Boeing [redacted] had just arrived [redacted] The aircraft was taken over by [redacted] and [redacted] departed to [redacted] Capt [redacted] had the order that upon the receipt of the code "Celia" he would find an excuse for the customer and depart [redacted] Aviv, filing officially for [redacted]. Traffic rights for [redacted]ht [redacted] were tentatively applied for by our [redacted] should this become necessary.

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3 3< 2/43

Our second Boeing was parked in [redacted] and [redacted] not [redacted]rt before the airport opened the next morning [redacted]
At the time I had made the agreement wit[redacted] about 0100 G
The crew [redacted] which was supposed to [redacted] the next day [redacted] was therefore alerted concerning the early departure of this aircraft [redacted] Aviv. After the airport had opened the fuel company was available for fuelling this aircraft [redacted] At about this time I was informed by Copp that pallets had to be taken along. [redacted] Our own pallets were stored in the

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Page 2 of MEMO 301185 UNCLASSIFIED

hangar. [redacted] Due to the shortage of time we decided to
let the aircraft fly [redacted] to pick up the pallets instead
of transporting them [redacted] ground transport. [redacted]
[redacted] he pallets had been put on a forklift in the
meantime and our mechanic was waiting for the aircraft to
arrive. After the aircraft had arrived the pallets were loaded and
the aircraft continued to fly to Tel Aviv after having refuelled
a little because of the extra flying tim [redacted].
[redacted]
together with [redacted] and an copil
In the meantime Capt [redacted] had arrived from Paris via train and
additional loadmaster [redacted]
were also on board when the aircraft departed finally at about
[redacted] it arrived in TLV at [redacted] (23 Nov)

Due to this departur [redacted] y, Copp had requested from me to also
put the second airc [redacted] nto this operation due to the utmost
urgency of the missi [redacted] IT WAS
Therefore the code wo [redacted] transmitted [redacted] and after
unloading [redacted] fuelled and departed to TLV [redacted]
[redacted] The overflight rights had been
[redacted] landed at [redacted]
granted in the meant [redacted]
on the 23 Nov in TLV [redacted]

PHASE III - Loading

Although Richard Copp, [redacted] had said to me that the
loading was planned to take 5 hours but would be speeded up to
2 hours, [redacted] which had first arrived, had [illegible] loaded one
the 707
piece out of 19 pieces in 4 hours. Therefor [illegible] time all
concerned parties were concerned that the [illegible] uld take as
long as possibly 24 hours. Therefore and [illegible] obviously
traffic rights had not been granted [redacted] I was told
that now the load had to be transported [illegible] ly [illegible] R. This
confirmed my initial suspicions and it [illegible] viou [illegible] e that
several things had to be changed. (Copp [illegible] hours
before that the traffic rights in [redacted] [illegible] issued and [illegible]
[redacted] was info [illegible] re my
crew told me that in TLV everyone knew that they had already been
turned down and that the real dest was [illegible] R)

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20 Apr 87

Memo [illegible]85

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I was given the contact of Mr.A.Schwimmer in TLV by Mr.Copp and the
talked to Schwimmer several times on the phone.
I told him that we could not fly to THR with an American registered aircraft and that we therefore had to unload [redacted] again [redacted]. [redacted] He tried several times to convince me and even offered to paint a different registration on the aircraft and do some kind of formation flying into THR. Keeping in mind that all phone conversations to Israel might be listened to, I told him that we were a normal Airline and wanted to stay in business for some time to come and that the only way to do it was the correc [illegible] for us to do it. Therefore [redacted] was unloaded again. the 707
In addition to that I explained to him that we needed traffic right to overfly [redacted] which we had applied for tentatively the moment the real dest. had come out, but only for [redacted]
And also we estimated that it would take time to get those rights. In addition I had conferred with [redacted] and was told that those traffic rights would be supported diplomatically and that we could count on the [illegible]
the captain
I was in touch with [illegible] all the time and verified all [illegible] them. In fact [redacted] was in Schwimmers home and we negotiated there that we needed 30 000 USD in order to go to the new destination because we had not planned on it and therefore had not enough cash with us. Also we did not trust them that everything was paid in THR. Schwimmer came up with 8000 USD after lenghty discussions because it was Sunday in the meantime and he could not get more money.

PHASE IV - Flights [illegible] performed

the 707
According to the new agreement between Schwimmer and [redacted] had been unloaded again and departed [redacted] on Sunday the 24 Nov.
the 707 captain [redacted] did this flight and took all extra crew back except for the second loadmaster because it had become obvious to us that the TLV/THR route could be flown by one crew due to the lenghty loading and expected unloadg proc[illegible]
In the meantime Schwimmer confirmed that [illegible] rights for overflight [redacted] had been confirmed [illegible] we could go with [redacted] as soon as it was loaded.
However, the last mome[illegible] they decided [illegible] our agreement that the aircraft shou[illegible] land [redacted] [illegible] going on to THR. This required additiona[illegible] funds by us [illegible] had to be defuelled in TLV becaus[illegible] it would ha[illegible] for landing [redacted] and had to refue[illegible] This missi[illegible] [redacted]
[illegible] money but even after long discussions Schwimmer [illegible] another 2000 USD which gave [redacted] the
about [illegible] together with the cash he had in his ships funds

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Date 20 Apr 87

3 3C 2/43

26[illegible]

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Finally we gave the green light for [redacted] the captain to take off and he left TLV with [redacted] on the 24 Nov.
Since arrival it had taken him exactly 24 hours for loading and clearing all the problems.

After arrival [redacted] [redacted] the captain had new problems as the customer and especially the military in TLV had not only not given him any documents for the load but also had taken out every evidence which might have proved that the aircraft was in TLV.
Customs/[redacted] therefore did not want to release the aircraft unless documents were produced and therefore the load also had to be inspected. Finally [redacted] The cap wrote a cargo manifest himself, which was accepted although it had no stamp of the departure point and finally he could talk his way out of this situation. Finally he therefore left at [redacted] direction [redacted] as planned.
However, nothing was prepared for overflight [redacted] and he had again to talk his way through. Since they repeatedly insisted on a diplomatic clearance number, he made one up which was not accepted after long negotiations and then he filibustered one hour and 30 min his way [redacted], using different altitudes, positions and estimates that he told [redacted] with whom he was obviously in radio contact. [redacted]
However, radar real[illegible]his off- positions which gave additional rea for arguments and [illegible]elays.
At the THR border h[illegible] received without any problems but he did not have to say the [illegible]d code "I am coming for Mustafa" because Radar treat[illegible] very normally.
Finally he landed [redacted] on the 25 Nov(monday)

PHASE V - Unloading

After landing in THR the aircraft had to remain on the runway for about 10 min until a "follow me" came and directed them to the parking area which was on the military side.
Thelanding had been done on runway 29 r and the aircraft was directed to the south of this runway onto the the north/west part of the southern military apron. At this location the aircraft had parked also during our last fl[illegible] to THR a few [redacted]. It is a special area which is su[illegible]d by a high fence to the outside so that people outside the [illegible] cannot see the aircraft.
the captain [redacted] was first contacted by an office[illegible] who directed the unloading later and who told him the[illegible]t know about this flight and were surprised that it [illegible]come [illegible]
30 min after arrival a civilian with a [illegible] on his back arrived at the aircraft and asked [illegible] first: "What are the nationalities of the crew, what is the cargo, where do you come from ?"
Then he talked to [redacted] the captain telling him that he should not

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[illegible] tell anyone including the military where the aircraft really came from. He then mentioned that they were expecting 4 more flights from TLV. He would like to see the same crew then due to security. When [redacted] was asking for money or arrangements of fuel, parking etc. he told him not to worry and that everything would be taken care of.

the Captain

2 Supervisor then started to direct the unloading, one military and one civilian with submachine gun.

The [illegible]w was sent to the officers Headquarters where they were told again by the civilian to keep their mouth shut about this and not talk to anyone about their mission.

Capt [redacted] then told him that our crew did not want to pass through passport and customs control because during the last flight it had taken several hours and they wanted to avoid that this time as they expected aquick unloading and then had to leave again.

Therefore the civilian took them in a car through back roads off the airport and was not checked or stopped at the gate although even military had to present their id - cards at that gate.

The trip to the Hotel took one hour and finally they arrived at the former Shera[illegible] Hotel.(Different name now, could not remember)

All rooms were occu[illegible] and therefore they had to take a suite together. After be[illegible] the hotel for about 2 hours to the surprise of the cre[illegible] got a phone call that the aircraft was unloaded and that [illegible] would be picked up in a few minutes. This was 6 hours a[illegible] the aircraft had landed. [redacted] the captain had remained at the ai[illegible] for some time to see that the unloading really took place [illegible]at it was done correctly. Then the time in the office[illegible]s and the trip to the Hotel had taken some time.)

However, after this alert it took 2 hours until the car finally arrived. In the meantime the civilian had apologized several times and the crew was offered coffee and cakes.

After arrival at the airport through the "backdoor" [redacted] the capta required a permit number for overflight [redacted] in order to avoid the problem he had coming in. He refused to leave without. Therefore he and the civilian went to the Tower from where they tried to [redacted] obtain this number. After about 2 hours of trying [redacted] told them that the [illegible]ht was ok the C but they could not get a number. Also [illegible] told that the Air Defense of Iran was informed and that [illegible] leave now which he finally accepted.

When the crew was taken over to the airc[illegible]alized that the aircraft had been towed to the civi[illegible]the meantime and that it was being fuelled by civi[illegible]
the captain
When [redacted] asked for full tanks (ord[illegible]im because after all those problems which I was [illegible] the c had called [redacted] via Telefone from the Hotel, I wan[illegible]e possibili to take the aircraft directly back [redacted] if necessary) the civilian who had received him was very disappointed because he realized that so much fuel was not needed to go back to TLV. However [redacted] told him that he needed the extra for security.
the captain

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PHASE VI - Return flight

The aircraft took of at [redacted] on the 25 Nov. after 14:35 hours on the ground in THR.
The aircraft was directed by radar off the airways a little more to [illegible] north than normally, close to the Russian border.
Also [redacted] was given a special exit time which he had to meet [illegible] to comply with the Iranian Air Defense.
Approaching Tabriz the aircraft was ordered down from FL 350 to FL 280, shortly before reaching [redacted] border again up to FL 350. (reason unknown).
No transponder was used in the Iranian airspace.
After arrival [redacted] Captain was told by radar that th[illegible] time he was accepted but ~~that~~ in future for further flights, the ok of the civilair was not enough but that he had to get also the ok of the Ministry of foreign affairs and that otherwise the aircraft would be turned back.
Based on all this information, I ordered the Captain [redacted] via radio to proceed directly [redacted] which we had planned initiall[redacted]
The aircraft arrived [redacted] 26 Nov.

[redacted]

GENERAL CONCLUSIONS

The mission was poorly planned and directed by our contract partners in a amateurish way.

1. [redacted] ket for about a week with [redacted] from [redacted] to THR.

2. Copp was sitting in [redacted] although [redacted] was [illegible] not flown to [redacted] and he as our contract partner could not [illegible] what was going on in TLV.

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3. In TLV the aircraft was on the milita[illegible] loaded by high ranking military personnel who w[illegible]omed to this type of work.(The lowest rankin[illegible]er [illegible] Lieutenant) In addition they did not work much a[illegible] many coffe brakes.

26220

4. A certain Mr.A.Schwimmer which was introduced to me by Copp as the representative in TLV of Copp, was very pushy with the military, sometimes to a point where he was insulting, but he did not understand the special aviation problems and did not have things under control. I.E. He sriously proposed to the Captain [redacted] to change the registration of the

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the captain

[redacted] aircraft and to forge the respective papers " in 2 hours". This was turned down by [redacted] and also by myself when Schwimmer mentioned it on the phone due to the before mentioned reasons.
Also the cash money which Copp had promised was not available and Schwimmer apparently did not know about this requirement.

5. The routing changes, destination changes, involved traffic rights were done too late and the crew grew more and more insecure as they are not used to this type of makeshift Airline direction and control.

6. The mission was still performed successfully because of the initiative the crew had displayed and because they are used also under adverse circumstances to complete the mission before problems will be discussed. However, this is not the way it can be done repeatedly because the good will will be worn out.

PROPOSAL

As Aviation is a ve[illegible]plex business which requires a lot of experience from all [illegible]rned and also because the feed back information is so v[illegible] for the operation, the directly involved employees have to b[illegible] of the decision making and planning as early as during the contracting stage.
Had it not been a special flight, I would have delayed for about 2 days after I had learned about the change of Destination in order to have enough time for correct planning and the aquisition of the necessary traffic rights.
The little radar controlle does not know political decisions and will not even be informed by his superiors. We experienced that time and again. Therefore all those things have to be presented in a normal way so that the controller simply has a dip[illegible] clearance number like he has for every other aircraf[illegible] this flight will look totally normal for him.
In other words: Those flights can be perf[illegible]ut any problem by only with the proper planning.
In order to have proper planning, the m[illegible] of [illegible]irline, who happens to be myself, should be heard b[illegible] con[illegible]ing or making commitments to third parties an[illegible] of the planning process.

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[illegible] 20 Apr 87

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[illegible]therefore suggest that during the preparation process I should [illegible]ited to the meeting of the departments which are involved in [illegible]decision making.

[redacted]

I [illegible]ize that there is the aspect of security and that the [illegible]s have to be done in a clandestine way. However, it cannot [illegible]orse than it was during this last mission and it could [illegible] been performed totally clandestine, had the above proposed meeting taken place in advance.
In aaddition to that, my presence during [redacted] could provide the concerned officers who [illegible] the different departments with useful feedback information so that for future planning some things can be ruled out right away without even going into detail whereas others can be accepted right away without checking details.

In addition to that [illegible]ingle missions or tasks to be performed should be part of a [illegible]tegy which I am sure exists, but which I am not aware of i[illegible]il. Knowing the all-over strategy it would be easier to [illegible]ertain missions and it would even be easier to plan the [illegible]udget which defines whether new airplanes have to b[illegible]hased/leased or others have to be sold.

In short: I would a[illegible]ate if I could be given more responsibility by being more part [illegible] team as far as the planning of the avaition aspects ar[illegible]erned. I think it is a waste of experience and information whe[illegible]s not made part of the planning process. I also like to make sure that I am not on a "ego trip", but that I have the success of our company in mind which last not least is also the success of this country.

[redacted]

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20 Apr 87
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11/25/85

Ex 3

25 November 1985

SUBJECT: NSC Requirement for Covert Airlift

At the request of the NSC on 24 November, [redacted] [redacted] proprietary Boeing 707 transported sensitive cargo from Tel Aviv to Iran. This was a fast breaking requirement for a controlled non-U.S. registered commercial airlift. We are pleased [redacted] proprietary was able to successfully handle this sensitive and dangerous airlift which involved a routing from Tel Aviv to [redacted] over [redacted] into Iran. The aircraft is still unloading in Teheran and should depart this morning. More flights are expected this week.

[redacted] [redacted] 29 Nov 85

Distribution:
  Orig - DDO
    2 - [redacted] chrono [redacted]

Partially Declassified/Released on 22 June 1987
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by B. Reger, National Security Council

REVIEWED FOR RELEASE
Date 22 DEC 86

1115

CL BY [redacted]
DECL OADR
DRV HUM 4-82

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SECRET

11/25/85 74

[redacted]

C/EUR
ACTION

Ex·4

85 [illegible] ASZ PAGE 001 IN 9110344
TOR: 25[redacted]NOV 85 [redacted]

S E C [illegible] T 25[redacted]NOV 85 STAFF

CITE [illegible]

TO: FL[illegible]

[redacted]

Partially Declassified/Released on 23 June 198
under provisions of E.O. 12356
by B. Reger, National Security Council

SUBJECT: NSC REQUEST

REF: [redacted]

1. ACTION REQUESTED: FLASH RESPONSE SOONEST TO REF AND FOLLOWING.

2. [redacted] MET WITH AMB[redacted]AT [illegible]OURS. AMBASSADOR WAS ALSO CONVOKED. [redacted] QUITE UPSET [illegible]ULTIPLE FLIGHT PLANS RECEIVED, FACT FIRST FLIGHT CAME DIRE[illegible] FROM [redacted] AND DID NOT REQUEST CLEARANCE BEFOREHAND AND [illegible]CTING STORIES ABOUT PLANE'S CARGO. [redacted] TOLD [redacted] IT [illegible] INDUSTRY SPARE PARTS, TELEX FROM CARRIER STATED MEDICAL SU[illegible] AND THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MI[illegible] EQUIPMENT.

3. [redacted] CARRIED THE CAN ON THIS SO[illegible]T TO INVOLVE AMBASSADOR AND DEPARTMENT (DEMARCHE WILL NOT BE[illegible]ED OTHER THAN IN THIS CHANNEL).

4. BOTTOM LINE IS THAT [redacted] STILL[illegible] TO ASSIST BUT HAS DEVELOPED A LITTLE CYNICISM ABOUT OUR INTERACTION WITH THEM ON THE MATTER. [redacted] AGREED THAT FURTHER FLIGHTS COULD PROCEED SUBSEQUENT TO [redacted] ALSO INSISTS THAT PLANES FOLLOW NORMAL PROCEDURES, I.E. REQUEST OVERFLIGHT CLEARANCE, AND THAT THEY DO NOT SHUTTLE FROM [redacted] AS NOTED [redacted] PLANES MUST NOT COME DIRECTLY FROM [redacted] THEY SHOULD TURN WEST AND PICK UP OTHER ROUTING. EVEN BETTER, WOULD BE NOT TO UTILIZE [redacted] AT ALL. [redacted]

5. ANOTHER MATTER REQUIRING CLARIFICATION IS THE QUESTION O[illegible] AIRCRAFT. [redacted] HAS IMPRESSION FROM PAPERS FILED BY CARRIER THA[illegible] SAME PLANE TO BE UTILIZED AND SHUTTLE FROM [redacted] THAT IS [illegible] [redacted] IMPRESSION FROM EARLIER TRAFFIC. PLS CLARIFY.

6. THE SITUATION NOTED PARA 2 REF, I.E. SECOND FLIGHT [illegible] THIS MORNING DID NOT EVENTUATE. WE NEED, HOWEVER, TO TRY A[illegible] EXPLAIN AWAY THE MULTIPLE FILED FLIGHT PLANS., IS IT PROBA[illegible]AT THEY REPRESENT PLANNING PRIOR TO THE RESTRICTIONS PLACED O[illegible] FLIGHTS BY [redacted] IF SO, WAS THERE A BREAKDOWN IN COMMUNIC[illegible] CHARTER CARRIER DID NOT GET THE MESSAGE? THI6 IS A POSS[illegible] EXPLANATION [redacted] PRESENTED TO [redacted]

7. IN ANY EVENT, WE ARE GOING TO HAVE TO TRY AND SA[illegible] THE [redacted] POINTS OUT THAT ATTEMPTS TO CIRCUMVENT THE GROUND RULES (EITHER CONSCIOUSLY OR THROUGH POOR COORDINATION) RUNS RISK OF A LEAK AND BAD PUBLICITY, HARMFUL MORE TO U.S. THAN [redacted]

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7C

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[redacted]

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OUTGOING

85 9[redacted] ASZ PAGE 001
TOT: 25[redacted] NOV 85 DIRECTOR 628289

L 5

STAFF [redacted] 628289
TO: [redacted]

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

SUBJECT: NSC REQUEST

REF: A. [redacted]
B. [redacted]

1. YOU MAY ASSURE [redacted] THAT WE WILL NOT USE [redacted] FOR ANY FURTHER FLIGHTS NOR WILL THERE BE ANY SORTIES UNTIL [redacted] WHAT I NEED TO KNOW IS CAN WE PROCEED WITH A FLIGHT TRANSITTING [redacted] LATE EVENING 27 NOVEMBER/EARLY MORNING 28 NOVEMBER OR [redacted] WE WAIT UNTIL THE EVENING OF 28 NOVEMBER.

2. PLEASE TELL [redacted] THAT WE [redacted]ERELY REGRET THE ENORMOUS AMOUNT OF CONFUSION SURROUND[redacted]AST NIGHT'S SORTIE. YOU ARE INDEED CORRECT THAT PLANS BEI[redacted]E AT POINT OF THE AIRCRAFT'S ORIGIN WERE OVERTAKEN BY R[redacted]TIONS PLACED ON THE FLIGHTS BY [redacted] OUR PROBLEM IS [redacted] ARE ONLY BROKERS IN THIS MATTER AND DO NOT HAVE DIRECT RA[redacted]MMUNICATIONS WITH THOSE RESPONSIBLE FOR ORIGINATING THE[redacted]TS OR THE FLIGHT CREWS. THIS IS BASICALLY A COMMERCIA[redacted]SACTION AND INVOLVES AIR CHARTER COMPANIES OVER WHICH WE HA[redacted] DIRECT CONTROL. MOREOVER, THERE ARE NO AGENCY PERSONN[redacted] THE GROUND AND IN CONTACT WITH THE INDIVIDUALS ORIGINATING THE FLIGHTS. THUS, OUR COMMUNICATIONS WITH THE LATTER ARE SLOW AND TENUOUS AT BEST. THIS WHOLE OPERATION HAD TO BE PUT TOGETHER IN VERY SHORT ORDER AND NOW THAT WE HAVE A COUPLE OF DAYS TO PLAN THE NEXT SORTIE, I THINK WE CAN ASSURE YOU AND YOU IN TURN CAN ASSURE [redacted] THAT THE NEXT SORTIES WILL GO MORE SMOOTHLY AND IN LINE WITH [redacted] REQUIREMENTS.

3. EQUIPMENT ON BOARD IS INDEED SPARES FOR THE OIL INDUSTRY BUT THAT IS NOT TO SAY THAT IT MAY NOT ALSO HAVE SOME [redacted] SPECIALIZED MEDICAL EQUIPMENT OR SUPPLIES MIXED IN WITH IT. [redacted] SIMPLY CANNOT UNDERSTAND WHY THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MILITARY EQUIPMENT, BUT PERHAPS THAT IS WHAT [redacted] THOUGHT HE WAS TRANSPORTING.

1306

4. I AM VERY INTERESTED IN THE POSSIBILITY OF USING [redacted] IN [redacted] FOR AT LEAST ONE OR MORE OF THE NEXT [redacted] SORTIES. CAN [redacted] ASSIST US IN ARRANGING FOR THE USE [redacted] THIS FIELD?

5. ALL HERE VERY MUCH APPRECIATE YOUR EFFORTS OVE[redacted] PAST WEEKEND ON THIS VERY IMPORTANT OPERATION. YOU MAY [redacted] [redacted] THAT THEIR COOPERATION IS NOT LOST ON HIGH/L[redacted] AUTHORITIES HERE. FINALLY, I ASSUME FROM REF B THAT OUR AMBASSADOR IS FULLY WITTING OF THIS OPERATION. PLEASE CONFIRM SO THAT I MAY ADD HIM TO THE BIGOT LIST AND INFORM THE NSC. BEST REGARDS AND THANKS.

7C

C/IN 2184/R

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Date 20 APR 1987

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DEPOSITION EXHIBIT [redacted] 6 ZT

3c Nov 85

MEMORANDUM 3/1185

Re.:TLV/THR flt Display of company

In the initial contact with Copp and also later in discussions with Schwimmer, I stressed the financial points and gave them the impression that I was mainly interested in the money.

After the first flight when I had gone [redacted] and Schwimmer called me on Tuesday in my office [redacted] I told him that the money had not arrived yet as promised and that before we discuss it further, we needed our money.
He then said that he was not our contract partner, but Copp.
When Copp called again [redacted] I told him that he should come [redacted] to meet with me and to discuss his payment. He was very amazed that the money had not come in yet and that he could not come becau[illegible] had to go back [redacted] to"save 225 000USD"
He then promised to [illegible] sure the money would be transferred as soon as possible.
Alltogether they mus[illegible] had the impression that they were dealing with a merce[illegible] airline and that we were just doing a job to make money.

The same impression [illegible]de in TLV in discussion with Schwimmer by Capt. [redacted] be[illegible] the main points were how to get enough cash money an[illegible] to handle things the commercial way. I.E. [redacted] to[illegible] Schwimmer that he would only fly after final ok by myself which would come after I had agreed with Schwimmer about the money and the cash which he had to get.

the captain

In [redacted] we had the excuses of having a urgent relief flight/landing gear problems and after the airplanes returned from the trips everything went back to normal and no questions were asked.
The crews did not talk to anyone about any company matters in TLV or THR and all concerned should have [illegible] impression that a business was conducted in a professio[illegible]

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[redacted]

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20 Apr 87

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11/29/85
Chapte. 10 Footnote 73

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PAID TO

6567

RECEIVED FROM B/O LAKE RESOURCES

DATE 29 NOV 85

Ex. 7

PURPOSE TH[illegible]LIGHT 23-25 Nov. 85

ACCOU[illegible]	ACCOUNT NUMBER	DEBIT	CREDIT
Close Bank $.	$ 10110 ✓	126.809,50 ✓	
Bank Charges	$ 70790 ✓	190,50 ✓	
Charter Revenue Freight 707	$ 30301 ✓		127.000.- ✓

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[illegible] on 12/[illegible]
E.O. 12356
[illegible]curity C[illegible]

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CHECK #	AMOUNT	PREPARED BY		VOUCHER

11/21/8
Chapter 10, Footnotes 25-27
9706

[redacted]

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C

MEMO 211185

1. [redacted]

2. [redacted]

3. [redacted]

They [redacted] are often involved in transport of difficult cargo.
They contracted 10 flights [redacted] to Teheran [redacted]

The flights are supposed to leave immediately if at all possible consecutive. The cargo is declared to be medicine but is in reality ammunition etc.

[redacted]

4. TEHERAN SITUATION

A flight was made from [redacted] to Teheran with Boeing 707 on the 14 Nov 85 [redacted]. The aircraft was there escorted by Iranian fighters until it reached Teheran. There is one more flt coming in December from [redacted] [redacted] which we are negotiating presently. [redacted]
3 more flts are planned beginning 86 to go from [redacted]
We will be informed about those.

[redacted]

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HSC & SSC

CUN 4259

Page 2 of Memo [illegible]

5. [redacted]

6. GENERAL SITUATION IN [redacted]

[redacted]

Pls find enclosed the cargo documents of our last flt from [redacted] to Teheran.

7. GENERAL

[redacted]

[redacted]

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CIIN 2535

[redacted]

A 2/43
DO 26236

26 Aug 85

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DEPOSITION EXHIBIT
[redacted] 9
6/5/87

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under provisions of E.O. 12356
by K. Johnson, National Security Council

August 26, 1985

Air Branch

Memorandum to: [redacted]

Subject : [illegible]ctivity 12-24 August 1985

From : [redacted]

Our 707 [illegible] the flight from [redacted] to Tehran 13 [illegible] August [illegible] had previously reported. The cargo was reported to be [illegible]0 tons smokeless powder and detonators [redacted]

The 707 returned [redacted] 16 May [redacted]

[redacted]

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CIIN 2538 DO 26201

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NO DATE

EX 10

SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran at the NSC's request. The cargo was described to us as oil drilling spare parts. Although we did not know it at the time, the cargo was actually 18 Hawk missles. The chronolgy of the incident is as follows:

On 22 November ~~1985,~~ the NSC contacted the Agency with an urgent request ~~for the name of~~ a discreet, reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East.

We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to ~~their intermediary with the Iranians.~~ the Israelis.

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The NSC intermediary contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts in [redacted]

The destination was changed to Tel Aviv and two ~~of our airline's~~ Boeing 707's operated by the proprietary arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] and then overflying [redacted] At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

To the best of our knowledge, neither the Israelis nor the Iranians knew ~~intermediary did not know~~ that they was dealing with a CIA proprietary, nor did airline personnel know what they were carrying. ~~We in CIA did not find~~ [illegible] out that our airline had hauled Hawk missles into Iran until mid-January when we were told by the Iranians.

The airline was paid by the Israelis the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made another unrelated ~~legitimate~~ flight into Tehran carrying commercial items prior to the 22-25 November incident.

Senior CIA management found out about the flight on 25 November ~~February~~. Although we did not know the nature of the cargo, we thought that any future support of this type to the NSC would require a Finding.

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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

1162

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Select Committee to Investigate
Covert Arms Transactions with
Iran

(CIA CHIEF)
Deposition of [redacted]

Monday, April 13, 1987

U.S. House of Representatives

(CIA CHIEF)

The deposition of [redacted] was convened, pursuant to notice, at 2:40 p.m., Monday, April 13, 1987, in Room H-128, The United States Capitol.

Present were:

Thomas R. Smeeton, Minority Counsel, Select Committee to Investigate Covert Arms Transactions with Iran, U.S. House of Representatives.

Timothy Woodcock, Associate Counsel, Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, U.S. Senate.

[redacted] Assistant General Counsel, Office of General Counsel, Central Intelligence Agency.

[redacted] Legislative Liaison, Central Intelligence Agency.

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Whereupon, (CIA CHIEF)

[redacted]

was called as a witness, and after being duly sworn, testified as follows:

MR. WOODCOCK: [redacted] I am Tim Woodcock, Associate Counsel with the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. This deposition is being taken pursuant to the request of the Senate Select Committee. Present is a member of the House Select Committee covering the same subject matter and no doubt the House will be making use of the information that you will be imparting in the course of this deposition.

This deposition, of course, is being taken pursuant to an official inquiry of the Senate as well as an official inquiry of the House.

Let me start off -- thank you. The House representative is giving me a card noting he is Thomas R. Smeeton. I believe the reporter has that information already.

[redacted] if we may, let me begin first by noting for the record that I provided you and the legal representative from the CIA with a copy of the Senate rules and Senate resolution that creates our committee. I very much appreciate your willingness to come here on short notice for this deposition; and we understand that in so doing, you are accommodating us, and in a certain sense, we are accommodating

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you in preventing you from having to return for a deposition later this month.

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q Let me ask you, sir, before we get into the substance of this to just generally outline your career with the CIA.

A I came on board in [redacted]

Since then, I have served in various capacities in Washington. [redacted]

Q You are currently CIA chief [redacted]

A I am currently chief [redacted]

Q

A

Q

A

Q [redacted], were you acting in your capacity as chief [redacted] in late November of 1985?

A Yes.

Q And could you describe for us information that you received in that period of time relating to a -- from your headquarters relating to an NSC -- that is, National Security Council -- endeavor?

A At 0300 hours on the 22d November, I received a message from the [redacted] communicator, our communicator [redacted] [redacted], noting that there was a flash message that required my immediate presence [redacted].

Q By 0300, you mean 3:00 a.m.; is that correct?

A 0300, 3:00 a.m.

Q What is a flash message?

A It's the highest message.

Q What did you do after receiving that information?

A I immediately went to [redacted], arriving about 0400, 4:00 a.m. Read my message, noted there was a second message, directed by deputy also to come in and assist me.

Q Who was your deputy at that time?

A [redacted]

Q Could you spell that?

A [redacted]

Q Then what happened?

A Both of us stood by for the message directing me on special assignment. It arrived. It directed me to stand by to assist a Mr. Richard Copp who -- alias Richard Copp whose true name was Brigadier General Richard Secord.

Q Was that part of the latter communication you received?

A Yes.

Q So that you knew shortly after you arrived that the individual, Mr. Copp, was in fact Richard Secord; is that correct?

A That is correct.

Q Was that a name you recognized at all?

A No.

Q What happened at that point?

A Well, the message told me to stand by and assist Mr. Secord, Copp -- I'll call him Secord from now on -- who was on personal assignment for the National Security Council. I was to contact him at a given telephone number and assist him as required.

Q Were you given any instructions with respect to holding this message close?

A I was told not to discuss it with the ambassador.

Q Do you know from -- from whom or what office you were receiving these messages?

A Yes. It was perfectly clear it was coming out of the Chief of European division, Mr. Duane Clarridge.

Q He has the nickname of Dewey; is that correct?

A Dewey.

Q After receiving the message with respect to Mr. Secord, what did you do?

A I called the telephone number, turned out to be a hotel. I asked for Mr. Copp's room, connected with it. A female with an American accent answered the phone, told me that Mr. Copp was not there, that he was at the office, and gave me the phone number of the office.

Q Approximately what time is this?

A This would have been at 0430 hours.

Q What did you then do?

A I called the office.

Q What happened?

A I asked for Mr. Copp. Back up. A [redacted] female, or male -- I am not sure which, because at different times it was a male or a female. I asked for Mr. Copp. They called Mr. Copp to the phone. I identified myself, told him I was with [redacted] and had been directed to contact him, and he was awaiting my call. He acknowledged that. I gave him my phone number where I could be reached. I asked what I could do at the time.

He said the only thing he needed at that time was to verify the phone numbers of the prime minister and the foreign minister. He said a very senior official will call them.

At that point he told me to stand by.

Q Let me stop you right there, if I may, for just a moment.

You testified that this -- Mr. Secord wanted to confirm the numbers of these national officials; is that correct?

A Let me back off.

I made a mistake there. When I contacted Copp at 0430, he said everything was under control and he would know better by 0945 hours. He asked me to stand by, which I did.

At 9:00 o'clock, I called Copp and then the only requirement was for him to give -- for me to assist him in finding out the phone numbers of the prime minister and the foreign minister. He said a very senior official will call them.

Q I see.

A That was at 0900.

Q At this point he didn't have those numbers; is that correct?

A That is correct. He had some numbers, but apparently they weren't able to get through to them.

Q When you called Mr. Second for the first time and a voice answered on the other end of the phone, did it identify itself as being any company or was it just a "hello"?

A Just "hello."

Q Did that condition obtain throughout your telephone conversations with him?

A During the course of the conversations, it became clear there was a gentleman by the name of [redacted] and later [redacted] and later [redacted]. So I reached the conclusion it was an office or at least a room provided by [redacted] to Copp to accommodate his activities.

Q Was that a name already known to you, [redacted] [redacted]?

A It wasn't at the time, but I checked our files. It soon became clear [redacted] was clearly identifiable as [redacted].

Q Did [redacted] mean anything to you?

A Only from our files. [redacted] [redacted]. The files made it perfectly clear -- [redacted]. The files made it perfectly clear [redacted] was an arms merchant and [redacted] is the company he was working for at that time.

Q So upon review of your files you concluded [redacted] was an arms supplier; is that correct?

A That is correct.

Q Now following your conversation that you just described with Mr. Secord where he asked your assistance on the telephone numbers, what happened?

A I stayed [redacted] until 1:00 o'clock. At that time Copp called, Secord called. He advised that previously the foreign minister had approved an El Al charter flight before going to Brussels, but he had not signed the paper.

Now, the morning of the 22 November, the foreign minister was busy [redacted] The foreign ministry is refusing to issue flight clearances until after the foreign minister signed the paper. Secord advised that the plane's departure from Israel's window was 20 minutes away. [redacted]

I [redacted] pointed out negotiations with the foreign ministry would be best handled by the charge who could approach [redacted] at the highest level, the foreign minister -- the prime minister and guarantee confidentiality.

Q What did Secord say when you suggested that?

A He said he would recommend the same to Washington. I made the same recommendation in a cable to my headquarters but was advised not to involve the charge.

Q Was any explanation given at that point?

A None was given. I assume it was because of the operation's sensitivity.

Q At this point, and I am speaking with respect to the 1:00 p.m. phone call you just described, you had not met Secord face-to-face; is that correct?

A That is correct.

Q Did you have any information with respect to the nature of the NSC mission at this point?

A No, but in discussing [redacted] I asked Secord on what basis I could justify the urgency of the flight; and he said I was authorized to use the phrase "humanitarian mission."

Q Did he say where he got that phrase?

A He did not.

Q Was there any other discussion at this 1:00 p.m. phone call?

A With Secord, no.

Q Then what happened?

A After having reported to Washington and gotten my answer back not to involve the charge [redacted]

Q [redacted]

A

Q

A

[redacted]

Q

A [redacted] I called Copp, and I updated him on the foregoing. He said that Washington had agreed to bring in the charge. It turned out that Copp had some kind of secure communication with Washington, and it was perfectly clear he was communicating in advance of my traffic.

Q Let me stop you right there, if I may. How was it that you knew that he had a secure communications system?

A He told me.

Q Was --

A I am not sure where along the way, but he would be talking to an American voice in the background. There was another American back there with equipment, and that they -- there were messages going back and forth.

Q So that in your phone conversations with Secord, you would say something to him, and he would relay it?

A I couldn't hear him relay it. I heard him talking to someone in the background; and later, he would tell me what Washington said.

Q He was relaying to you what Washington was saying?

A Yes.

Q All right. Sorry to interrupt there.

A Copp said the plane missed its window but was standing by in Israel.

Q Then what happened?

A Nothing happened then until 4:00 o'clock in the

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afternoon. Copp called again, said the plane was airborne, and had reached the go/no-go point around 1725 -- that is 5:25 -- hours, same day.

[redacted] the ministry of foreign affairs, [redacted] had decided to oppose the clearance and would recommend the opposition of the clearance, denial to the foreign minister. [redacted] the political counsellor of the American Embassy, [redacted] the day before visited the foreign ministry and was told there had been a request for an American urgent flight to -- [redacted] and that he stated he knew nothing that would justify the mission, because he had nothing in his channels.

Q That is to say [redacted] gave this response; is that correct?

A To the foreign minister.

Q [redacted]

A

Q Now at this point, have you involved the charge?

A I have not yet.

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[redacted]

At that time, Copp called me; and I told him of [redacted]. He said he would call the White House and request authority to bring [redacted], who was the charge.

Q That is [redacted]

A [redacted] into the activity.

Q What happened then?

A At this point I received a telephone call on the international circuit from the chief of the European division, Dewey Clarridge. It was a very bad connection, but he was able to convey to me his approval to bring [redacted] into the activity.

At that point, I did so. I called [redacted] and asked him to stand by at the embassy, which he did. [redacted] I briefed him on the activity to date and showed him all traffic to date.

Q Then what happened?

A At 5:00 o'clock, [redacted] called [redacted] to get the foreign minister out of the cabinet meeting. We stood by for the next hour waiting for the foreign minister to come out of the cabinet meeting. [redacted] called the foreign ministry several times, [redacted] was standing by at the foreign ministry waiting for the foreign minister to respond.

I informed Copp what we were doing. By this time, at 1800 hours -- 6:00 o'clock -- Copp said that the plane had had to abort and return to Israel. I asked Copp what to do next. He said he would stand by for instructions.

Also, it became clear that the foreign minister was not going to come out of the cabinet meeting to respond to our request.

Q That is [redacted] you had no doubt about that at that point?

A [redacted] didn't communicate it, but the foreign minister's actions clearly indicated he was not going to appear. He didn't.

Q Just not responsive; is that right?

A Yes.

Q So then what happened?

A By 7:00 p.m., the foreign ministry still had made no decision. Copp at one point in the telephone conversation noted that the National Security Council was considering how to recycle the mission. At the very same time, [redacted] advised that the White House requested the phone numbers of the foreign minister and the prime minister.

Q What happened at that point?

A I should make one thing clear. On [redacted] request, I asked Washington -- my headquarters -- to find out if the Secretary of State, Secretary of State Shultz, was aware of the mission and if he approved [redacted] involvement. Messages came back during this period saying the Secretary of State and Ambassador Oakley were the only two State officials who were aware of the mission, that they concurred, and that all traffic should be kept in my channels.

Q Let me stop you right there. You made that inquiry and communication came back to the effect that Shultz and Oakley were aware of what was happening; is that correct?

A That is correct.

Q Now --

A They were aware of the mission.

Q All right. Were aware of the mission. Now who was it that responded to you?

A It was coming from the office of Dewey Clarridge.

Q All right.

A Throughout this time, and I don't recall which cables it was that it occurred, Poindexter's name was frequently mentioned as the person who was in Washington responsible for heading up the activity.

Q Did you have an understanding as to who had apprised Shultz and Oakley of this mission?

A No. If I recall correctly, the cables said, "Poindexter advises that..."

Q So to the extent your belief would be that Poindexter advised them, it would be based on that cable; is that correct?

A Yes.

Q All right. What happened at that point?

A About 8:53 p.m. Copp advised that McFarlane was trying to phone the foreign minister.

Q That is Robert McFarlane?

A That is correct. McFarlane at that time was in Europe, had traveled from Brussels, where there had been a NATO meeting, to Rome.

Q And did you learn whether McFarlane ever made that contact?

A Let me make a point just before we get to that. At 10:00 p.m., [redacted] called [redacted] He noted that the foreign ministry meeting had just concluded, but no decision had been reached. [redacted] said the next step is for [redacted] to send a formal diplomatic note to the foreign ministry. The note should include characteristics of aircraft, routes to and from [redacted], and cargo.

Upon receipt, [redacted] said, the foreign ministry would consider the request. [redacted] promised to have the note by 1100 hours on 23 November in [redacted] hands. [redacted] said he would be in his office.

I informed Copp. He said he would allow time for my report to reach Washington. Then he would contact them to discuss the options.

At 11:00 p.m., we received a message directing [redacted] to contact [redacted] and to note that McFarlane had just talked with the foreign minister, who agreed to aircraft clearance.

Q Now receiving this information, what did you do?

A Since it was 11:00 p.m. in the evening, knowing [redacted] officialhood, [redacted] and I decided it would be advisable to wait until the next morning to relay that message to the foreign ministry.

Q I gather that means they are not night owls?

A Correct.

A So I gather you did then wait; is that correct?

A We did that.

Q Okay. Would you pick up again?

A At opening of business on 23 November, [redacted] and I were still in the embassy. [redacted] contacted the [redacted] the ministry of foreign affairs, [redacted] who was the only foreign ministry official available at that time -- a senior official -- and conveyed the above McFarlane message; that is, that he -- McFarlane had talked with the foreign minister who had agreed to aircraft clearance.

[redacted] was not aware of the telephone conversation, and he opined that a diplomatic note would still be required from the embassy.

[redacted] then prepared the diplomatic note and went to the foreign ministry at 1130 hours on 23 November. He presented the note to [redacted] and [redacted]

Q Then what happened?

A During this period, while [redacted] was at the foreign ministry, I was primarily serving as a liaison role at that point between Copp and [redacted]. Copp called to advise of a new plan tentatively involving three flights by two planes to arrive in [redacted] between 23 and 27 November.

Copp said he was having trouble arranging for the planes for a [redacted] -- for [redacted] to Iran link. He said that the president [redacted], a gentleman by the name of [redacted]

Q [redacted] is [redacted] national airline?

A Yes.

-- was stalling for some reason. He asked me to intervene if I could. I said that I would try and get back to him. Also, during that conversation, Copp asked me if I was --

knew what was going on, if I had been briefed. I said that no, the charge and I were in the dark; but we could make some guesses. He suggested that we meet immediately, and I suggested a parking lot at a nearby hotel.

Copp and I immediately separately went there. I picked him up at the front door of the hotel; and he and I sat in my car and talked around 11:30 for 10 minutes.

Q Could you relate the substance of that conversation, please?

A Yes. Copp said his mission was clearly one whereby missiles are being provided for hostages. I asked what kind of missiles. He identified Hawk missiles. He noted that the Iranians with whom they were dealing didn't trust him, that he was operating under a very tight timeframe, and that he appreciated anything that we could do to assist.

Q Let me go back and see if I can parse that statement out a bit.

With respect to the Copp/Secord observation that this was a deal involving Hawk missiles, did he tell you how he knew that?

A He did not.

Q And the same question with respect to hostages?

A He did not.

Q Did he identify the hostages as being those in Lebanon?

A He did not.

Q Now the information with respect to the Iranians, you said that Secord said that the Iranians didn't trust him. Now who is it the Iranians didn't trust, according to Secord? Was it him personally?

A He did not expand on that. The impression was ~~he~~ they did not trust the Americans with whom he was dealing.

Q The Iranians did not trust the Americans?

A Did not, yes.

Q And there was no distinction drawn between Secord and some other Americans, NSC members, whatever?

A No. No.

Q Was there more to the conversation then?

A Only that I expressed certain views of my own on the -- on my behalf about how we could better assist him. I pointed out to him this was the first time we had a chance to have a secure conversation, so I couldn't have expressed my concerns earlier.

I felt that [redacted], on whom he was obviously relying, was a man whose reputation was such that I did not think that the present [redacted] government would respond to him; and that based on what I knew about him, based on our records, he would not have been one we would have selected to deal with or through.

I also pointed out to him that in dealing with foreign ministries, and getting aircraft clearances, it is far more effective and secure if you do it through the established channels rather than trying to come at them in different ways.

Secord seemed open-minded about this and indicated that if they got involved in such a thing again, he would contact us much more in advance and see if we could do a better job of helping him than we had.

That was the end of the conversation.

Q Could you recount how it was up to that point you were determined that [redacted] was involved?

A Yes. As I noted, his name was cited in different stages during the course of our conversations.

Q By Secord?

A By Secord.

Q Did he --

A Calling him [redacted] and [redacted]

Q Did he tell you what it was that [redacted] was doing for him?

A He did not.

Q Did he refer to [redacted] as being present with him or how did you gather -- did you determine anything --

A It was perfectly clear [redacted] was present with him in the office; and in response to direct questions, Secord said [redacted] had driven him to the meeting with me.

Q Thank you. Following this meeting with Secord, what did you do?

A I returned directly to the embassy.

Q And upon arriving at the embassy, what happened?

A I stood by -- I briefed the charge on what Copp had told me. He briefed me on his visit to the foreign ministry, where he had left a note. Both of us then stood by at the embassy, awaiting the response from the foreign ministry.

By 4:30 p.m., we had received no response. Finally, at 6:00 p.m., we received a call from [redacted]. [redacted] told [redacted] a decision had been reached by the foreign ministry; but before conveying the decision, the foreign ministry would require a second note. It had to contain two statements:

A. The operation had been undertaken for humanitarian reasons; and

B. The operation is to free American hostages.

[redacted] said if the note were delivered forthwith, decision would follow immediately.

The implication was the decision would be positive.

Q What did you do?

A None of the three of us, after consultation with Copp -- [redacted] myself, and Copp -- had any difficulty with the first point; but we all got hung up on, obviously, the second point, putting it in writing in a diplomatic note.

Copp decided to defer the problem to Washington.

Q Was that then communicatec to Washington?

A Copp said he had communicated the situation to Washington; and he at the same time advised that McFarlane had been trying for the past two hours to reach the prime minister but was not successful.

By 7:30 p.m., Copp advised Washington had responded and that we could anticipate a negative response through my channels to [redacted] request. At this time [redacted] sent a cable recommending an alternate wording concerning the Part B, concerning American hostages, because he believed [redacted] at this point would accept virtually anything we recommended.

But obviously the patience was running out in Washington on this point, and we received an answer to [redacted] cable that said -- simply said the charge should deliver a note to [redacted] saying that we regret your government was unable to fulfil the U.S. government request for this humanitarian mission.

Q That was done, I take it?

A That was done. The charge delivered it to the foreign minister, who was greatly troubled by the tone and the brevity of the response; but he regretted that [redacted] had not been able to respond and [redacted] and hadn't taken -- taken the proper actions to guarantee that appropriate protocol and [redacted] sovereignty were met.

Q [redacted] let me ask you to take an overview, if you would, of your discussions with Secord and ask you if at any point Secord advised you as to why it was that [redacted] had been chosen as a landing point or a clearance point?

A The subject never came up.

Q Following your conversation with Mr. Secord in your car, as you have already described, did you take any formal action with respect to that information?

A I did two things. I immediately wrote a round-up report on what had happened that morning, because given the timeframe, it would have been the opening of business, Washington time, 22 November. I sent a cable describing the developments [redacted] on the morning of the 22d; and in that cable, I referred to the conversation with Secord -- the meeting with Secord.

I secondly then sent a cable devoted exclusively to the Secord conversation reporting it in detail.

Q Let me back you up. You have, therefore, two points at which you are recounting the Secord conversation; is that correct?

A I only noted in the first cable that the meeting took place; and in the second cable, I recounted the substance.

Q When did the first cable go out?

A It would have been close to 12:30.

Q On 23 November?

A On 23 November.

Q And then the second cable?

A By 1:00 o'clock.

Q By 1:00 o'clock. Same day?

A Yes.

Q Who would those have been directed to?

A All traffic was handled on one channel. That was the eyes-only channel, the chief of the European division.

Q Let me ask you just a little more generally, you have served in Washington -- how do these cables express themselves when they come in on the Washington side? Is there a screen they appear on? Do they churn out on a teletype?

A No. This is a privacy channel. It is designed to permit the exclusive communication between the CIA chief [redacted] and the chief of division. As I recall it, a copy -- one copy goes to the chief of European division; two copies go to the Office of the DDO; and there is no further distribution.

It is completely outside of the normal records-keeping procedure.

Q But how do these messages appear? Are they in solid, hard copy? As the expression goes?

A Yes. They would be hard copies delivered to the office of the chief of European division or the DDO in envelopes.

Q Does the DDO or the chief, say in this case of the European division, have an officer who stands by and reads these things as they come in?

A His secretary would open the envelope, see that it's slugged for the chief of European division, and deliver it to him exclusively. If he wants to share it, he decided.

Q These two messages that you sent, I gather, were sent to the chief of the European division and then office of DDO; is that correct?

A All of this communication went to the chief of European division with info copies to the DDO. Whether the DDO ever sees it or not, I don't know. That would depend on a screening procedure by his staff assistant.

Q You wouldn't necessarily know that unless the DDO responded to you and referred to it?

A That's correct.

Q Having sent off these two cables, did you receive any response to them?

A I can recall no specific response that was required in these two. No, I can't.

Q You received -- did you have subsequent communications with Duane Clarridge's office?

A Yes. All this traffic was to and from. Anything I received from Washington that was giving me my instructions would be from Clarridge.

Q There was no response commenting on those particular cables in particular -- those particular cables?

A I recall none dealing with my conversation with Secord. I recall none dealing with what was contained in my round-up report.

Q Now I gather that you also informed the charge, [redacted], that -- of your conversation with Mr. Secord?

A I did that. He and my deputy.

Q Did he also send any communications to your knowledge out to the State Department in Washington?

A I have no knowledge whatsoever that he sent any communications through his channels to the State Department. I would doubt it very much, or he would have told me that he had.

When the operation finished, what he did do is draft a cable from himself, if I recall directly -- it was to Poindexter. It was [redacted] telegram. He expressed his concerns about the way the entire operation had been handled. I think that I concurred fully with everything that he said, and it went to Washington.

I know nothing from him other than that that went through our channels.

Q That is through your communications [redacted]

A That is correct.

Q In your communications with Duane Clarridge, did you reach any understanding at any point as to whether Clarridge was handling this alone or whether he was handling it with someone else?

A We didn't discuss it.

Q You were aware that it was an NSC mission. Were you told at any point who in the NSC was handling it?

A The only name mentioned was Poindexter and, of course, Secord on my end. And McFarlane, of course, was in Europe.

Q Have you ever discussed this matter with Duane Clarridge?

A No, I have not. I haven't seen him since the occasion occurred.

Q I am not going to have this marked for the record, but let me describe it for the record.

This is a cable dated December 4, 1986. It is addressed to "Immediate Director." Subject is "[redacted] support to NSC Mission, 22-27 November 85."

The cable comprises four pages with a total of six paragraphs.

[redacted] I show you that cable now and ask you if you recognize that?

A Yes. I drafted it.

Q What is it precisely?

A It is my response to a query from the CIA's inspector general for commentary on [redacted] activity in connection with the NSC mission described.

Q Have you had an opportunity to review that cable?

A Yes, I have.

Q Is that cable an accurate description of your involvement in the NSC mission?

A Yes, it is, with certain minor discrepancies.

Q If you can pick out any of those minor discrepancies, would you do so and note them for the record?

A Yes. The primary one is I identified [redacted] as being an employee of [redacted]. He is not an employee of [redacted]. He is an officer of [redacted]. Both are arms firms. That would be the major discrepancy.

Q Following this, did you ever have any other dealings with Secord?

A No, I have not.

Q The two cables that you referred to that you issued on 11/23 at 12:30 and 1:00 p.m., to your knowledge do they exist in any form?

A The first cable containing the general round-up, wind-up, round-up, does exist. I cannot find the second cable.

Q Do you know why that is?

A I have no idea. There are other cables missing. We don't have a completely comprehensive file of all traffic; but that's because of the nature of the channel used. It is outside and is designed to be outside the records-keeping system.

Q And I gather that a record is not kept at your [redacted] is that correct?

A No. As I noted in that incoming round-up for the inspector general, in December 1985, I destroyed all copies of all traffic including my [redacted] file.

Q Does your information on [redacted] indicate whether it has any connection to Adnan Khashoggi?

A No.

Q One way or the other?

A No. We have very limited information on [redacted].

Q I also gather that Secord did not at any point identify to you any of the individual persons on the Iranian side of this transaction; is that correct?

A He did not.

Q Did he at all describe to you how it was he became involved in this?

A He did not.

Q Did he tell you anything about how long he had been involved in it?

A He did not. I didn't even know he was not a member of the National Security Council staff.

Q Did you assume that he was at that point?

A All I knew he was on special assignment to the National Security Council. I assumed he was working for the staff. I didn't know he wasn't.

Q Did he tell you that he wasn't?

A No, he didn't.

Q I gather he made no remarks about he had been called in on short notice or anything like that?

A Nothing.

Q Did he provide you with any information on who might be his contacts in Israel?

A He did not.

MR. WOODCOCK: I guess that is all I have.

Tom, do you have any questions?

MR. SMEETON: Maybe just a couple. I haven't seen the material you have there. If I am redundant, interrupt me.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. SMEETON:

Q With respect to these cables that you sent back to headquarters regarding the shipment, as I recall you indicated that Mr. Secord told you that weapons were involved.

A When I talked with Secord, he told me explicitly that it was Hawk missiles.

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Q That information was then reflected in one of those two cables that were sent back to headquarters in Washington?

A Yes.

Q Was there any suggestion of a cover story indicating that you should tell [redacted] it was oil drilling equipment rather than weapons at any time?

A No. I was given no authorization to tell [redacted] [redacted] what the equipment was. I was only told that it was -- just say it was for a humanitarian mission.

Q Do you have any insights as to why oil drilling equipment might be mentioned as a possible cover story?

A No. I only heard of it from the media subsequently.

Q After the fact?

A Right.

Q You never heard about it in the context of any of these discussions regarding the operation?

A That is correct.

Q With respect to [redacted] or any other arms manufacturer [redacted] did the name Tom Clines ever come to your attention?

A No.

MR. SMEETON: I think that's all I want to say.

MR. WOODCOCK: I have just one more question.

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EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

Q [redacted] other than Duane Clarridge, was anybody else in his office involved in this, to your knowledge?

A I have no knowledge of that.

Q I gather then that you received no cables back from anybody else with anything other than Clarridge's name on it; would that be right?

A That would be correct. If anyone else sent it in that channel, they would have to indicate to me that it was someone acting in his capacity; and I did not see that.

Q So all channels coming from the Washington side were coming under Clarridge's signature; is that correct?

A Yes. Under the slug that indicates it's him talking. Procedure would require if someone else was, it would be -- they would put the slug and said, "From Acting Chief Eur."

Q Now did your deputy chief [redacted] become involved in this to any great degree?

A Only marginally. I had him, if I recall, only write one cable. He may not even have read all the traffic; but I did discuss some of the traffic with him.

Q Did he ever have any conversations with Secord?

A He did not. I handled all communications by telephone, plus the one meeting.

Q Would that also apply to [redacted]?

A That would be true.

Q So to your knowledge, you would have been the only U.S. government person [redacted] dealing directly with Secord on this matter?

A That is correct.

MR. WOODCOCK: Well, I think that concludes my questioning.

MR. SMEETON: Just a followup regarding your mentioning of the apprising of State Department, specifically Mr. Shultz and Mr. Oakley.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. SMEETON:

Q As I recall, at [redacted] request, you were asked if you would determine who within the State Department was so apprised; and you learned it was Mr. Shultz and Mr. Oakley and nobody else in the Department of State?

A That is correct.

Q And did you get the impression that Mr. Shultz and Mr. Oakley would okay such a transaction or just that they were apprised?

A I think that my impression was the cable was drafted in such a way as to indicate that they approved of [redacted] actions, that they knew of the mission that was happening.

MR. SMEETON: Okay.

[redacted] I have a point to clarify, if I may.

EXAMINATION ON BEHALF OF THE CENTRAL INTELLIGENCE AGENCY

BY [redacted]:

Q [redacted] if you would, since this has been discussed on the record, you indicated that there was one discrepancy which you corrected. Would you just take a quick look at this and tell me if you found any other discrepancies that you could correct for the record right now.

A The only other discrepancy I know, also the phrase [redacted] is used in the second place in here. That should also read [redacted]

Q And you are satisfied that is accurate, looking again at your cable?

A Yes, I am.

[redacted]: That's all.

[Whereupon, at 3:30 p.m., the deposition was concluded.]

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HSIS [illegible] /87

CIA COMMUNICATOR

DEPOSITION OF [redacted]

Monday, July 13, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D. C.

Deposition of [redacted] called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 1:25 p.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

Partially Declassified/Released on 21 JAN 88
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by K. Johnson, National Security Council

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

CHARLES KERR, ESQ.
Counsel
THOMAS POLGAR
Investigator

On behalf of the House Select Committee to Investigate Covert Arms Transactions with Iran:

JACK TAYLOR
Investigator

On behalf of the Central Intelligence Agency:

R. BRADFORD STILES, ESQ.
Attorney Advisor
DAVID PEARLINE, ESQ.
Office of Congressional Affairs

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EXHIBITS

[redacted] EXHIBIT NUMBER	FOR IDENTIFICATION
1	15
2	15
3	39
4	54
5	83

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PROCEEDINGS

Whereupon, [redacted] called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. KERR:

Q Could you state your full name for the record, please?

A [redacted]

Q [redacted] what position do you hold with the CIA?

A I'm with the Office of OC.

Q And for those of us that are not initiated?

A The Office of Communications. [redacted]

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Pages 5, 6 and 7

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[redacted]

Q With regard to your staff, how many subordinates do you have?

A At that time I had two.

Q And in the period through the end of November-early December, 1985, what were the names of the two employees?

A One gentleman was named [redacted] [redacted] He has since retired. The other gentleman is named [redacted]

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[redacted]

Q With regard to the period November 22, 23, 24, 1985, can you tell me who the communications duty officer was? Let's back it up and start with November 22.

A The period in question, to the best of my recollection, [redacted] got called in originally by a Flash message. He was called in. It was Friday evening or early Saturday morning. The initial call was a Flash message for [redacted] to have the [redacted] come in [redacted] and remain [redacted] for sensitive traffic or need-to-see traffic.

[redacted] then stayed -- well, the communication center stayed open that night. He stayed there. I went in the next day.

Q That would be the morning of the 23rd?

A Yeah, the Saturday. I went in the next day and found out what was happening. And then I worked the Saturday.

Q When you say "worked" --

A I stayed there.

Q All day?

A The majority of the day.

Q When did you go home?

A It was [redacted] [redacted] around that time frame. To my knowledge, [redacted] then came in.

Q Let me stop you. When you say he came in, did he come in [redacted] to relieve you?

A To relieve me, at which time I told him that there was a lot of things happening, that we didn't know how long it was going to go, if he had to stay in at any length to give me a call and I'd come in and relieve him so he wouldn't have to stay there all night.

[redacted] more or less at this time was taken out of the picture. [redacted] was on his retirement tour and he wasn't -- he didn't have the necessary qualifications, more or less. He wasn't that qualified to operate the gear. He was from the old communicators. [redacted], [redacted] we resorted to more or less a sure thing. We didn't want anything to snag because of the stuff that was being passed.

Q Okay. I'm with you. So [redacted] got the original call?

A He was there originally and stayed until I came ~~in~~ and relieved him.

Q That Saturday morning. But from that Saturday morning when you came in he basically --

A He was out of the picture, more or less.

Q Was he in [redacted] or was he back at home?

A No. He went home.

Q So on Sunday, the 24th --

A I stayed in. Well, I worked Saturday. I worked Sunday. I worked the day Sunday and [redacted] came in and relieved me again. That's when I told him if it went on to have him call me and I'd come in and relieve him so he wouldn't have to work all night.

Q So that conversation was Sunday?

A The last day when this operation shut down.

Q So let me back up. On Saturday you would have come in when, approximately [redacted]?

A Yeah, to open up. [redacted]

Q And you would have stayed on duty until when, [redacted]?

A Well, normally we would have been on duty -- on a normal Saturday we would be gone by [redacted]. What we do on Saturday is we come in, pull the traffic for the Chief [redacted] He reads it, and we go home, normally.

Q But on that Saturday, the 23rd?

A Well, we were going on this per directive by the Chief [redacted] He wanted us to remain open 24 hours until further notice.

Q I'm with you. You actually stayed [redacted] [redacted] though, on the 23rd until what time? Were you there all day?

A Most of the day, yes, sir. I can recollect most of the day Saturday and Sunday. I sent a message in response to somebody's thing about the times, and I can't honestly remember that far back -- the time frame.

MR. POLGAR: These are the dates and days that we are speaking of.

THE WITNESS: Okay.

MR. POLGAR: And I wonder if your memory doesn't trick you when you see on Saturday, and in fact it may have been on Friday.

MR. TAYLOR: And this is the first cable and you see the time on there.

THE WITNESS: Is that Friday? That was Friday night.

MR. TAYLOR: What does it say?

THE WITNESS: 22nd, Friday morning. Okay.

MR. POLGAR: So it is really here on this Friday that it started.

THE WITNESS: Okay, that it actually started. Okay.

BY MR. KERR: (Resuming)

Q Let's back up. Let me tell you what we're going to do here to keep things together. Let me show you two cables. One is to the Chief [redacted] The other is to the Deputy Chief [redacted] You can work on that one if you like. It's Director 624839 and 939, which I would like to have marked [redacted] Exhibits 1 and 2.

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(The documents referred to were marked [redacted] Exhibit Numbers 1 and 2 for identification.)

(Pause.)

Let's try to focus in your recollection. It's been a long time ago, and you've talked to a lot of people about this, so let's start with the paper. We've got the first cables, what appears to be the first cables, with what you've described as the Flash message which came in on the early morning hours of the 22nd; correct?

A You're right.

Q Using that as a way to kind of focus your recollection, the person on duty at that time would have been [redacted]

A Yeah. He had the duty. He got called in.

Q So he would have been called in in the early morning hours of the 22nd, correct?

A Yes, sir.

Q You would have gotten the call to come in at your normal arrival time?

A See, this happened Friday morning. [redacted] came in [redacted] early Friday morning, Friday being a normal day. Then me and [redacted] comes in and works Friday.

Q And you would have come in [redacted] [redacted]?

A Yeah. I come in usually [redacted] even when there was three people. Normally at that time I worked from [redacted] and the other two people, one would work early to [redacted] and the other one would work from [redacted]. That's the way we broke it up, and I stayed in the center, more or less.

Okay. Then [redacted] would have come in. He would have been there until we reported in. Then I would have sent him home because he'd been there all night. He sat there. He told me he got called in and all. I sent him home.

Then because -- what possibly happened is then I sat there and worked Friday. [redacted] would have worked the midwatch Saturday. Then I sat there, came in Saturday and worked the day and [redacted] came in to relieve me on the eve watch because we had a feeling or were more or less told, you know, it was going to be winding down.

Then if it stopped, if it did cease, Saturday afternoon, which I think it did, then he came and relieved me in the afternoon, [redacted] somewhere around there. And I told him if it went late I wouldn't make him stand the midwatch; I'd come in. And he called me up and said -- you know, he got secured by the Chief I think [redacted] at night. I think.

Q [redacted] Saturday evening?

A That Saturday evening. I think so, to the best of my recollection.

Q Let me just go back and pick up on it again. Let's take you to Saturday, the 23rd. Between the hours of [redacted] that morning and [redacted] evening, who would have been on duty?

A Myself most likely.

Q [redacted] would have been on duty up until [redacted] that morning?

A Yeah. He more or less stood the midwatch during the night.

Q And then you would have relieved [redacted] [redacted] in the morning?

A Right. It would have been [redacted] [redacted] maybe even earlier.

Q And you would have stayed on duty until [redacted] the evening?

A Till I sat there and told him just come in on, actually, [redacted] something like that.

Q [redacted] would have come in, then, [redacted] Saturday evening and stayed on duty until --

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A Until he was secured.

Q And when you say "secured" that means the Chief [redacted] told him --

A Until the Chief [redacted] told him he could go, that he was no longer to maintain the circuit, to the best of my knowledge.

Q That's fine. In terms of just to help me figure things out, what is a Flash message?

[redacted] A Flash message is the precedence, the rapidity that they need an answer by, acknowledgement by. When you had to sit there and acknowledge them within a certain time frame, when you open up, even if you don't acknowledge, they will keep resending it over and over again, which might be the case.

You've got to -- no, you don't. This one is

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for the DO[redacted] But a Flash message just means it's more or less like urgent.

Q Got you. Okay. Let's talk a little bit about some procedural things.

[redacted]

BY MR. KERR: (Resuming)

Q Let me proceed with a couple other things. Let's talk about the time that you were on duty during this weekend. I need a clear picture of how these kinds of things work. When you had a message from the Chief [redacted] [redacted] to transmit to headquarters at Langley, how does that message come to you? Is it written out by the Chief [redacted] typed up by a secretary? How does it

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actually come to you to transmit?

A I'd say primarily 100 percent of the time -- there has been a couple of times that we have literally typed it, but almost 99 -- the majority of the time it's typed. The secretary types the message in a format, if you will. [redacted]

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[redacted]

Q Do you have any recall of mechanical problems you were having with the equipment on the 22nd or 23rd?

A No.

Q Your recollection is the equipment was working the way it was supposed to work?

A Right. Even if it was handwritten, which I can't recall getting anything handwritten at that time, [redacted]

Q In terms of whether a simple typed document was used or something that had been processed through the [redacted] was used, were there situations where the Chief, [redacted] would use one mode as opposed to another, i.e., did he sit down with his typewriter and type things out from time to time?

A Not off the record, but to my recollection I don't think my Chief [redacted] knows the proper format to put it in, so he couldn't sit there and type it on his typewriter.

Q That makes sense. And in terms of the way he normally worked during that period of time, when you became familiar with it, would he dictate these cables to his secretary?

A I don't know. [redacted]

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[redacted]

BY MR. KERR: (Resuming)

Q So, turning back [redacted] that is not what you recall doing with your Chief [redacted]

A No, I really don't.

Q Now with regard to what you fed into the [redacted] equipment, was it your custom to read what you were feeding in before you fed it in?

A [redacted] you know, you scanned it. And okay, you yourself have to figure that it's human nature if you are going to be sitting there working on 24 hours you are going to sit there and look at what the heck you're passing, that's making you stay there keeping the place open for two and a half days, because somebody may be requesting more bourbon or whatever. You want to know just why you had to disrupt your time.

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So even if the machine was functioning correctly, once it sat there and went through it and it was processing [redacted] you know, you are going to sit there and pick it up and read the copy that just went through [redacted] while it was processing.

Q So in terms of the way that certainly you would have been doing business on the 22nd and 23rd in all likelihood you would have read the cable traffic that you were sending out?

A Of course.

Q Now with regard to the hard copy, whether it's produced by [redacted] or by the secretary's typewriter that you used to feed [redacted] what did you do with it once the machine had been fed? Was it immediately destroyed? Was it catalogued somewhere?

A No, no.

Q What did you do with it?

A Okay. The copy that went through [redacted] that copy that went through [redacted] it got thrown in the trash, more or less, to be shredded. Then [redacted] itself, when it sends out the message it gives you an outgoing copy, formatted copy, with the message numbers and everything of the message that it sent. That copy there then gets tore off and it is given to the front office [redacted]

[redacted] Okay. Then the message that we put through we then -- well, we periodically just get the stuff that's in there, take it outside the door, and we have a [redacted] shredder and we shred the stuff. We don't want a big pile-up.

Q Let me back up so I understand. When [redacted] generates its hard copy message, that has the appropriate identifying numbers on it, correct?

A Right.

Q So you take that back to the [redacted] secretary; is that right?

A We just give it -- [redacted] and if the [redacted] secretary was there it would be given to her, yes, sir.

[redacted]

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[redacted]

Q So your [redacted] system does have a memory function?

A Sure does.

Q Now if you had received something that had not been produced on [redacted] word processing equipment but had been produced by a typewriter, would [redacted] memory unit retain --

A It retains everything that is sent -- everything.

Q So if it went out it would be in your [redacted] system even though it would not necessarily be in [redacted] system, correct?

A That's right.

Q In terms of materials that are stored in the [redacted] system, do you have what I would call a document retention program, a program by which you dump that memory on a regular basis?

A I sure do.

Q What is that?

A Five days maximum. [redacted]

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[redacted]

Q Let me back you up. With regard to your document retention program and the way you work with your [redacted] machine, its memory, its disk, got eliminated every five days; is that correct?

A Yes, sir.

Q Was there any system that you were responsible for to maintain messages either in hard copy form or some other electronic format?

A That is illegal -- not illegal but it's not a practice any more. We've been directed no paper, no files. That's the big thing.

Q We know that there's hard copy that's generated at several steps along the way. I just want to trace that. We know something comes from the secretary or [redacted] machine.

A Okay. The hard copy that gets brought [redacted] [redacted] be it made, how it was produced, once that gets fed through [redacted] that copy then systematically gets shredded.

Q Gets destroyed?

A That's it. We don't need it any more.

Q We also know that your [redacted] machine generates a hard copy.

A That copy, that hard copy, that it gives with the message numbers, the message addressees, the date, time group and all that gets sent [redacted] to the [redacted] secretaries. They in turn log it on their machine.

Q Electronically?

A Electronically, if it was from the [redacted] If in fact this wasn't from the [redacted] then the secretary would then hand it to the originator, which would have been [redacted] But if she did log it to [redacted] system [redacted] then she'd take that copy, the hard copy, and she'd put it in her burn bag for eventual shredding in their shredding machine.

Q So the practice would be that the hard copy generated by [redacted] after it's used for reference purposes by the secretary, would be destroyed likewise?

A That's the way it should be. That's the way it should be. That's not the way it is followed by many people.

Q That's what I assume. Now let's talk a little bit about [redacted] around Thanksgiving time in 1985. With regard to your end of the process, was it your procedure, your standard operating --

A I did not change my procedure because this happened.

Q What was your procedure? Your procedure was to do what you have just described?

A Five days and that was it.

Q That's the electronic dump on the hard copy?

A The hard copy, I sat there and destroyed everything that I got. I was not told differently.

Q And you didn't have any separate files that you kept?

A No, sir.

Q No hard copy files?

A No, sir.

Q In terms of your knowledge about the Chief [redacted] [redacted] shop and what his secretary did with it, did you have knowledge of what she did with it?

A No, I don't.

Q So nothing was described to you as to what her system was?

A No, sir.

[redacted]

BY MR. KERR: (Resuming)

Q Let me pursue that thought a little bit further. First, before I do that, the name of the secretary at that time was what? Who was his secretary?

A [redacted]

A [redacted] was not the Chief [redacted] secretary. I believe she had -- I believe she had the duty during this period, I believe.

Q What was her title at that point, or her function?

A She was the DC[redacted] secretary. I can't remember the girl's name that was the Chief [redacted] secretary. [redacted]

Q But [redacted] had the Thanksgiving weekend duty? Is that the way it was?

A I think so. Well, I can't say for sure. The only thing I can go by is by my knowledge. I don't remember. Somebody mentioned to me before I left that

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they should sit there and ask [redacted] to come in, because she was the one here.

Q I think that's a damn good idea.

A I don't know. I can't remember. I really can't. If I sat there and said yes, she was there, I would be having somebody influence me that she was there. I can't remember.

Q You don't remember who it was that was doing the typing that weekend is what you are telling me.

A No, I can't. I really can't.

[redacted]

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[redacted]

Q Let's take the last leg, when it gets to headquarters at Langley. Do you have any familiarity with the record retention and distribution system there?

A No, sir. I have never had the pleasure to work there. I hope to never have the pleasure. I'm being honest.

Q Okay. That is fine. Let me pick up on a couple of other things. With regard to that message that you send, how is it that you know that it has been received, if you do? Let's say the Chief [redacted] has a cable.

A Okay. It would be my feeling that because of the contents of the stuff that was going on at this time and because it dealt with the problems with the plane landing [redacted] then we were requesting from Washington acknowledgement that they got this traffic.

[redacted]

[redacted]

Q Does that have a Director's cable number?

A No, no. It's a service. It's just a little bitty line [redacted]

That's it, just one little line.

Q Now let me back up so that I understand. That would be true automatically with a Flash message; is that right?

A With a Flash message I think you are correct. It is automatically generated by the [redacted] if it is sent by Flash.

Q And the turn-around time on an acknowledgement from [redacted] to Langley is what, for a Flash message?

A Normally it's almost instantaneous, [redacted]

Q So if you sent a Flash message to Langley for the Chief [redacted] you would, during this time period, have gotten back an acknowledgement very quickly?

A Just from the message center, not from the person now. We should have, yes.

Q But what that tells you is that it got to the message center and it was readable -- didn't get lost in the ether somewhere.

A What it would mean is they got it. If it was sent Flash, they got it. [redacted]

[redacted]

Q Let me show you as an example a cable from the 22nd of November, which will be marked as [redacted] Exhibit 3. It's [redacted] from November 22 at 1423 hours.

(The document referred to was marked [redacted] Exhibit Number 3 for identification.)

(Pause.)

If you look at that cable I'm not particularly interested in terms of the substance of it, what it is, but this is a cable that would have gone out of your shop?

A Yes, sir.

Q Let me have you walk through with me what this really tells me.

A [redacted]

[redacted]

Q Let's go through it. This one says Secret-Flash, and your understanding of the procedure is a Flash message would require an automatic acknowledgement.

A My knowledge, what I've been told, is the computer here at headquarters signals center automatically generates the receipt for the Flash message.

Q This one says Eyes Only. Now what's Eyes Only mean?

A That means only Chief/EUR is supposed to get this message.

Q [redacted]

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[redacted]

Q But in terms of the mechanics of what you do, it doesn't make any difference to you?

A No, sir.

Q You send the same way?

A That's right.

Q And essentially what it does is it talks about the way the message is going to be distributed; is that correct?

A It is instructions for the destination.

Q So when you receive an Eyes Only message, that doesn't mean anything different in terms of your technology?

A No. [redacted]

Q [redacted]

A It's just how it's distributed [redacted]

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[redacted] We can control it at our end, and we can't control it at the destination. Now we send Eyes Only messages to headquarters, [redacted] anyplace. We have no say how it gets distributed there.

Q I've got you.

A We have done our thing. We send it out. It does not get sent out anyway different.

Q That's fine. Now let me take one step back to the secretary's office. With regard to Chief [redacted] [redacted] and the practices of his secretarial staff with regard to [redacted] equipment that they have, do you have any knowledge of what document retention programs his office utilized?

A They normally -- they sit there and they reinitialize [redacted]

[redacted]

Q She dumps the [redacted] and prints over?

A No, no. She doesn't do all of them. She'll go in. What happens is they make the people clean up their files. They should do it voluntarily. If not voluntarily, she goes in and does it. She's the only one that can go into everybody's file, the system administrator, who is actually the Chief [redacted] secretary. She's the only one that has access to everybody's file.

She in turn can go in. Your files are getting too big. You are slowing down the system. Take some of that junk that you have there, you know, for six months, eight months, or I'm going to just arbitrarily go in and do it. She does that. She's a good SA.

The procedures that was held during this time frame and the procedures that has been held by him down there I have no idea. You know, I cannot truthfully sit here and say it's not in his file right now. You know, I can't say that because I don't have access to it.

Q Do you have any knowledge even by way of an approximation on what kind of cycle they were on to clean [redacted]

A No. If you do in fact talk to [redacted] she'd know because she was the SA at that time.

Q Just so that I've exhausted the places where records might be kept, am I correct that the [redacted]

would be the place [redacted]

A To my knowledge, if I'm not mistaken, it is. There's one, which I believe is the [redacted], where all

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the people's records are.

Q Do you know of any other storage system that would retain either all or portions of what goes into [redacted]

A They have actual paper files there.

[redacted]

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[redacted]

Q Now the person that would be responsible, just so I'm perfectly clear, in the November 22, 23, 24, 1985 period for keeping [redacted] machinery going, would that be the SA?

A Yes, sir.

Q And with regard to cleaning the files out, again that would be the SA, in terms of making sure it gets done?

A Making sure -- to make sure that the system didn't get too slow. It's her responsibility. I don't think she could or she would override the Chief [redacted] and tell him that, hey, get your stuff out of your private library. It's her boss. I can't even speculate.

Q That's fine. But in terms of making sure it gets done and telling him it's getting too slow, that's her job?

A That's her job.

Q Now [redacted] would have had that job [redacted]

Q [redacted] in December she still had that job?

A I'm almost positive [redacted]

Q We received a report the Chief [redacted] [redacted] sent out on December 4, 1986 to the Inspector General that said all [redacted] documents, including incoming and outgoing cable traffic dealing with subject mission were shredded and deleted from [redacted] [redacted] in December 1985, consonant with the high sensitivity accorded to the mission.

Were you aware of a special directive or procedure to delete records of the November 21, 22, 23, 24 events?

A I did mine normally.

Q You did yours normally. Nobody gave you a special direction?

A Nobody told me to keep anything. I just did mine in my five-day period.

Q And with regard to what went on in the Chief [redacted] office and what his SA did, you don't have a present recollection of that?

A No.

Q Let me just pursue a little bit more of what he says here so I can make sure I understand. He says that the only [redacted] personnel aware of the mission were [redacted] the [redacted] and, of course, our commo personnel. And he says [redacted] took all action himself and drafted [redacted] all outgoing communications.

Now just to translate that, that suggests to me that the Chief [redacted] actually sat down [redacted] [redacted] and worked the keyboard.

A He can. He does. If he did, all he has to do is sit there and type [redacted] push the button, send it to the printer. It comes to the printer.

Q But when he uses the term "drafted on [redacted] what he's talking about is using [redacted] equipment?

A That's it. He is using his [redacted] right there. He is writing up the messages, the cable, if you will. It automatically formats that cable for him, sends it to the printer. He could tear it off and bring it [redacted]

Q That was my next question. In terms of what that machine prints out, it doesn't electronically get transmitted to you. Somebody has to put it in an envelope and walk it [redacted] is that right?

A Yes, sir.

Q With regard to that period of time -- the 21st, 22nd, 23rd, and 24th -- can you tell me today whether or not you have a recollection that a secretary or the SA was involved in the communications in that period of time -- the 21st through the 24th?

A No, sir.

Q You can't tell me?

A No, sir. It's just hearsay of somebody mentioning it before I came out here.

Q There are other ways of picking up on this kind of thing. Does your [redacted] equipment do things like correct spelling?

A Yes, sir. It has a spelling checker and all that.

Q So the normal way of finding out what the boss is doing with typing by looking at his spelling doesn't help us here.

(Laughter.)

There was nothing about the traffic that you read on the 21st, 22nd, 23rd, or 24th coming out of the Chief [redacted] office that would tell you whether or not he was inputting [redacted] or someone else was, I take it.

A No, there's no way I could tell. You know, if the thing says Chief [redacted] you have to imply that it was the Chief [redacted].

Q I'm not kidding. The normal boss does things different from a secretary. You can often see it in what's written, but there's nothing about this equipment that would allow you to tell whether or not the Chief [redacted] [redacted] had been inputting [redacted] or his secretary had.

A No. However, there's no way it could be told, that you could distinguish between it. However, the procedure[redacted] is that everything that we get for transmission is released by the Chief. The Chief has seen it. The only time that that is not followed is when the Chief[redacted] is out of the country and the DC[redacted] has releasing authority or the times that the Chief goes home and he allows the DC[redacted]to release certain cables.

Q Bear with me on this. The Deputy Chief[redacted] [redacted]was called in on this weekend, correct?

A Yes, sir.

Q Do you have a recollection of the extent to which he was actually present during that period of the 21st to the 24th?

A No, sir.

Q Do you have any knowledge of the extent to which he was kept familiar with the cable traffic?

A No, sir.

Q And in terms of whether or not he would have reviewed cables that had been prepared by or drafted by the Chief[redacted] you can't tell me whether or not he actually saw those cables?

A No, sir.

Q With regard to the Chief[redacted] secretary and[redacted], again you can't tell me of your own knowledge today whether or not they actually saw any

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of the cable traffic?

A No, sir.

Q You can't tell me that?

A No, sir.

Q With regard to what you do on traffic of this kind, I think you were telling me that sending things Eyes Only Flash, these are messages that have sufficient import attached to them that you would want to know that they had been received by the other end; is that right?

A Yes, sir.

Q That's why the system is designed to do that, to tell you automatically?

A Yes, sir.

Q If for some reason a message does not come back with an acknowledgement, is it your practice and custom to resend it?

A If we don't get an acknowledgement [redacted] on a Flash it gets sent again.

Q So if we were looking at a pattern of cables [redacted] that are Flash messages that show no repeat, that would mean that in all likelihood they had been received?

A I don't know how you could tell whether it would be repeated or not.

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Q We do have a couple of messages that were repeated, so we've been told.

A Okay, because all they do is they get sent out in the exact same format, the exact same message number.

Q But transmission time is different.

A The transmission time would differ. [redacted] So our directives state that we keep sending it until we do get an acknowledgement.

MR. KERR: Jack, would you mind if I showed him your list of cables?

MR. PEARLINE: Do you want to take a break first?

(A brief recess was taken.)

MR. KERR: Let's go back on the record.

BY MR. KERR: (Resuming)

Q I'm going to show you an exhibit which is a list Jack put together of the cables, and I'd like to have that marked as [redacted] Exhibit 4.

(The document referred to was marked [redacted] Exhibit Number 4

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for identification.)

A couple of things about the cables that are listed here that I wanted to ask you about. We do have two cables which Jack indicates were sent twice [redacted] These are both marked as Flash, Eyes Only cables. And [redacted] apparently were both sent at approximately [redacted]

Looking at those cables, can you tell me any recollection you might have or any explanation you might have for why they were sent twice?

A This is the same message. I see what you mean. Okay. One says -- I don't know who put it on here -- one says "corrected copy". I'm trying to find out --

Q What the correction is?

A I'm trying to find out what the correction is. This one here says "corrected copy".

Q That's the [redacted] cable.

A But this is the same cable as this one here.

Q Exactly. Let me ask you the question a different way. Both of those copies appear to be essentially the same message. We haven't been able to spot what the difference is at this point.

A I can see what probably happened. Apparently what happened, or what could have happened -- I can't say apparently what happened. [redacted]

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[redacted]

Now what could have happened is this message got fed in twice and getting fed in twice -- in other words, it got sent back with [redacted] I don't know why it would get sent back with [redacted] I really don't, because [redacted] is way up here, would be way up in here on the 22nd. I'd have to sit there and honestly see the services that they mentioned.

[redacted]

Q You don't know what that translates to?

A For some reason, it got sent twice -- I don't know why -- the exact same message.

Q The [redacted] cable and the [redacted] cable were separated in terms of the numbering by a substantial period of time, several hours.

A Right.

Q Let me come at it another way. The cable numbers are sent in time sequence? I mean, cable one customarily precedes cable two and cable three?

A That's right.

Q And the machine assigns the number; isn't that right?

A That's right.

Q So one would assume that the [redacted] cable would have been generated at the time of like cables like [redacted] [redacted] that sort of thing.

A That's right.

Q Which was [redacted] on the 22nd of November.

A Which was -- okay. Wait a minute. I think something -- maybe, I think. No, that's something else. This was the first day, right?

Q The [redacted] 22nd; that was the first day, right.

A Well, sir, see that message never -- I could go by the old adage that it didn't happen on my watch.

(Laughter.)

Q Got you.

A I don't mean to pass the buck, but at this time frame was when [redacted] was working and got called in. And, as I told you before, we pulled him out of the system when I came in becaus[redacted] had problems with [redacted]machine. I don't know how that number got there when it belongs up there. I don't. I honestly don't. I have no idea. I'm baffled, and I'm being honest. I don't know.

Q Let me have you look at one other thing on the list that we just gave you. If you did not get an acknowledgement on a Flash message and you had to send it again --

A We wouldn't have waited that long. No, sir.

Q Would the second message have a new number on it?

A No, sir.

Q So if you waited three minutes or whatever --

A If you did it correctly, it would not. No, sir, because it's there. It's in the machine. [redacted]

[redacted]

Q So the message number would remain constant even if it got retransmitted?

A Yes, sir. And so would the date-time group of the message. [redacted]

Q So it continues to hold an initial date-time group no matter how many times it's sent?

A The message is in its original state. [redacted]

Q Now with regard to that information that is the first page of a message, do you have any knowledge of the retention of that page, if you will, at Langley -- the instructional page?

A No, sir. To me it seems like it would be even less than the message because all it is is superfluous. It's just routing indicators, date-time groups. There would be no need to keep it.

Q Well, there might be some interest in keeping it if in fact you changed the slug that would allow you to tell whether or not this was a repeat message. That's where it would show up; isn't that right? If you sent a message the second or third time, the only way that you'd know that it was a repeat message in terms of hard copy would be looking at that first page; isn't that right?

[redacted] the notation that we were retransmitting due to lack of acknowledgement, you could not tell the difference from the original message.

Q And you're telling me that it is not the custom to put that kind of information on [redacted]

A We do sometimes. Sometimes we do. [redacted]

Q How about on Flashes?

A On Flashes no. We just sit there. It's all computerized, and we figure that after the second time if we don't get it, [redacted] then we sit there and put on there, hey, you know, you're not answering, and they will come back with a service, that something was wrong back there. And that's why it didn't spit out.

Q Now with this pattern of [redacted] cables in front of you, looking at the exhibit and given what you have told me about Flash messages insofar as [redacted] cables are Flash messages, assuming standard business practice as you understood was being followed, there would have been an acknowledgement of receipt of each one of those Flash messages; isn't that right?

A Should have been, yes, sir.

Q Do you have any recollection today of any Flash message being sent during this period of time that was not acknowledged?

A No, sir, I don't.

MR. POLGAR: You would have no recollection at this point?

THE WITNESS: Oh, no, sir.

MR. POLGAR: It's not that you remember that none was, there was no lack of acknowledgement?

THE WITNESS: I couldn't remember that.

BY MR. KERR: (Resuming)

Q Let me come at it another way. It would be an unusual event, would it not, for a Flash message not to be acknowledged?

A I'll go even better, that at one point in time that message would have been acknowledged because we've got a procedure that if you sit there and you send it and you still don't get acknowledgement that means you've got problems with the line between the points, and then you've got other alternatives to try to find out why. [redacted]

Q So without regard to whether you have a present recollection of acknowledgement of these Flash messages, it would be a most unusual circumstance for a Flash message to be sent and no acknowledgement received?

A That's right.

Q And that's because a Flash message is the second-highest priority and you want to make sure the mail gets through; isn't that right?

A And, like I said, for my knowledge of the way of the system is not, that when you send a Flash it's automatically computer-generated, I would say that they got the Flash. And when you don't get that [redacted] then something's wrong in the line, in the system, someplace, either on their end, in the line, or something like that.

Q Do you have any present recollection of there being a mechanical problem with the lines in the period from the 21st to the 25th of November, 1985?

A No, sir.

Q No?

A No, sir.

Q Let me ask you about a couple other people. [redacted] was the Chief [redacted] is that right?

A Yes, sir.

[redacted]

Q His deputy at the time was whom?

A Mr. [redacted]

Q Do you know a gentleman by the name of [redacted]

A Yes, sir.

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Q And what position did [redacted] hold [redacted] in November of 1985?

A He was the DCM, sir.

Q That's Deputy Chief of Mission?

A Yes, sir.

Q Do you have a recollection of him [redacted] during the period November 21 through 25 [redacted]

A Yes, sir.

[redacted]

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[redacted]

Q Did there ever come a time when you made messages available to [redacted]

A No, sir.

Q Were you ever present when Chief [redacted] was discussing or reviewing or outlining messages with [redacted]

A No, sir.

[redacted]

BY MR. KERR: (Resuming)

Q With regard to Dewey Clarridge, have you ever had occasion to work with Mr. Clarridge?

A I don't even know the gentleman, sir. I've never met him.

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Q Mr. Clarridge's name shows up on some of these messages, but you could not have connected a face with that name during that period of time?

A No, sir.

Q You've never had an assignment with Mr. Clarridge?

A No, sir.

Q With regard to General Richard Secord, have you ever had occasion to work with him?

A No, sir.

Q His name is not familiar to you?

A No, sir.

Q Or at least it wasn't until recent events?

A It's familiar now.

Q But at the time you didn't know it?

A I wouldn't know either one of the gentlemen if he was standing outside the door. I couldn't pick them apart.

Q Now let me come to the events that are of primary interest to us, and that's a couple of cables that were sent by the Chief [redacted] back to Langley on the 23rd relating to contact that the Chief [redacted] [redacted] had with Mr. Copp, General Secord. Do you recall a message or messages which you would have transmitted for the Chief [redacted] relating a conversation or contact that he had with Secord, aka Copp?

A As I stated before, the only thing that I remember, the only thing that sticks in my mind, is I know there was traffic that contained the shipment of HAWK missiles that was being sent from Israel to Iran, and the plane could not get permission to land.

The only reason I remember that is it sticks in my mind [redacted]

Another reason it angered me is because I have a good friend that was a hostage for 444 days or 440 days. He was a free man for four of the days before they grabbed him. And that's what upset me, and that's why it stuck in my mind, and that's all I remember.

Q Bear with me. You have had to tell this story to God knows how many people. I'm obliged to take you through it again, so be patient with me.

In terms of your recollection, it stuck in your mind because it was an event that touched an emotional chord, I take it; is that right?

A Yes, sir.

Q And that's an understandable reason for it to stick in your memory. Do you recall whether this was simply one message that used the term HAWK missiles, or was there more than one?

A I cannot recall, no, sir.

Q You do have a clear recollection, though, that the term HAWK missiles was in the message?

A Yes, sir. As I told previous people, when I got the message from the IG, the original message from the IG, requesting what I knew, if anything -- if I had records and all that -- I sat down and I drafted the message. I typed out the reply without any prior knowledge of [redacted] As I told other people, me and [redacted] are not the best of -- we tolerate each other. [redacted] So I had nothing to gain out of this. And I'm not doing this to do the man a favor -- if anything, I'd do it the other way. It's just something I remember.

Q He is known for his personnel relations, I can tell.

A He's a professional man, but he lacks a lot of tact and there's times that we bump heads because I have been known to say what I think a couple times myself. But I consider myself a professional and I just tell what I remember.

Q Let me come back. You got a message in, what, December?

A I can't remember when it was, the first message from the IG. It was Eyes Only to me.

MR. POLGAR: It was last November, I believe.

THE WITNESS: It was in the fall of '86, I believe.

BY MR. KERR: (Resuming)

Q In the fall of '86 you get a message. And what did you do? You drafted your thoughts at that point?

A I sat down and I replied to acknowledge the only thing I remembered.

Q And the reply took the form of what, a cable back to the IG?

A To the IG.

Q Do you recall again approximately when you sent that cable back to the IG?

A It was the same day, I believe.

Q The same day?

A Yes, sir.

Q I don't suppose you would have any record of that cable?

A No, sir. I knew I should have started keeping -- I'm going to write -- well, never mind.

MR. POLGAR: But the IG would have it.

THE WITNESS: They do have it.

BY MR. KERR: (Resuming)

Q Tell me how this one was designated -- Eyes Only, Destroy upon reading?

A Burn before reading. Read with one eye. No, sir. I sent it back in the exact same channel as I received it. It was IG, Eyes Only channels.

Q In terms of a copy that might have been kept [redacted] you think the machine has long since eaten it?

A The only place it was at was my machine. It was never in [redacted]

Q And that would have been destroyed five days later?

A Yes, sir.

Q You do have some recollection of that being acknowledged as having been received by Langley?

A Yes, sir. I've seen it here.

Q Good. That puts you way ahead of us. That's excellent.

MR. KERR: Let me make a request for the record at this point that we would very much like to have that cable, Mr. Pearline.

THE WITNESS: All it does is state what I've just told you. That's all it states. You know, they've asked me what, if anything.

BY MR. KERR: (Resuming)

Q Let me give you a question since I have not had the benefit of reading your cable. Would you give me your best recollection of what the cable actually said?

A I could probably cheat if I could remember what was just told me a couple hours ago.

Q You were refreshed at that point?

A I was told what I replied and I sat there and said that's all I remember. The message in general said that the only thing I remembered is a message dealing with HAWK missiles, a plane with HAWK missiles on board it that was being shipped from Israel to Iran and the plane could not land.

Now I cannot honestly remember -- I cannot honestly recollect that maybe one of the reasons I got so upset is because it was in the message, it was stated to the effect that it was arms for hostages. I can't remember if that's what ticked me off, but something was a flag in front of me that I didn't forget.

Q I'm with you.

MR. STILES: I'd like to interject something for the record. It's my understanding you were not actually shown a copy of the cable by the IG; is that right?

THE WITNESS: No.

BY MR. KERR: (Resuming)

Q When did you have that conversation, the most recent conversation about this cable? You arrived here about 1:15.

A I believe it was somewhere around 9:30 or 10:00 this morning, sir.

Q In whose presence were you when this conversation took place?

A Just me and what's her name? Carla.

Q No one else?

A Just me and her.

Q And she made reference to a cable you had sent to the Inspector General?

A I thought she was the IG.

Q But she made reference to a cable that you had sent?

A It seems like everybody -- I see in the Washington Post, you know, the traffic I sent, so I figure everybody has a copy of it.

Q That's one of our best sources. God bless the Washington Post. I won't go into what that suggests.

All right. She referred to your cable?

A She just mentioned about my cable and she just asked me some questions if I recalled anything else, and I said that's all I recall.

Q But she didn't actually show you your cable?

A No, sir.

Q She's compartmented your cable away from you. Is that what was going on?

A No. Well, let's put it this way. She must have a fabulous memory because she had something in her hand.

Q She did have a piece of paper in her hand?

A Yes, sir.

Q Did she say anything about whether or not that had been provided to our Committee?

A No, sir. That didn't even come up.

Q Did she refer to any other pieces of paper when you talked to her this morning?

A No, sir.

Q Did she refer to any other cable traffic?

A To my recollection, no. I sat there and I tried to explain to her the mechanisms for the way traffic is sent and received, to the best of my knowledge, from a filing [redacted] to [redacted] but I told her that I didn't know about the mechanics at

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Headquarters, at Langley.

Q Did you tell her anything more other than what you have told us so far?

A No, sir.

Q The same drill?

A I sat there. I told the same story to three people. Now I said -- let's put it this way. I have said a lot more to you than I said to them because I wasn't asked so much about the mechanics of it.

Q Do you recall any other topics that you discussed with her this morning?

A That was it, sir.

Q That was it. Nothing else was said?

A Yes, sir.

Q Now coming back to your reaction when you saw this message that made reference to HAWK missiles, did you discuss your reaction contemporaneously with anybody? Did you go see [redacted] and say what the heck is going on?

A No, sir.

Q Do you recall discussing it with any of your fellow employees?

A I might have sat there with [redacted] To be honest, I sat there and sent him a note prior to coming here and told [redacted] that I was heading back for Washington, and I

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said will I see you back there. And he said, no, they contacted me and I can't remember anything.

Q Did you refresh his recollection?

A He sat there and said, to be honest, he said, he partied the night before and he couldn't remember anything. And I sat there and that's when I said I should have been on some heavy drugs or something. Then I went and had jet lag.

Q Okay.

A It's possible I did. In fact, if he was around I know I talked to him about it. I can't say positively yes or no.

Q Do you have any further recall, sitting here today, thinking about it, going through that of anything else that was mentioned in that cable that stuck in your mind?

A No, sir.

Q You've exhausted your recollection on that score?

A I've sat there and divorced myself from a lot of the meetings at [redacted] because [redacted] was holding meetings expounding on things that were coming out in the Washington Post, other things that were happening, and he'd go through the whole scenario again, how it started, and he asked me why I wasn't attending the meetings and I told him that I was one of the players and I only know one phase of it. I don't care to know the rest of it.

Q How many such meetings has [redacted] had, to the best of your recollection?

A Oh, I don't know. He's had just a couple. The one most recent one was because of that 25th of June Washington Post fiasco where it came on the front page. Now I remember that message.

Q What do you remember of that message?

A Sending it out. That was the Eyes Only, IG, message.

Q In terms of its content, what do you remember about it?

A It just looked familiar in seeing it. It just looked -- you know, it was just something that stuck in your mind. Hey, look at that. Here's our traffic. Put a line through it; it's no longer secret. It's now declassified, got the little black marks in there.

Q Let me come at it another way. What did [redacted] express, if anything, by the way of concern or interest in this cable?

A He had a valid concern. You know, it was an Eyes Only message, IG, a classified message on the front page of the Washington Post, you know. And the message--

I don't recall the whole message, but the message had, apparently had contents, material in it, that could be damaging.

Q [redacted] felt?

A Right.

Q Did he mention specifically what caused him concern?

A No, sir. I mean, the concern, the credibility, you know. Who's going to trust us anymore if you can read it in the Washington Post?

Q Now apart from that meeting where he expressed concern about that cable that was published -- when is the first meeting you had with [redacted] about these matters? Was it right after you sent your reply in to the IG?

A No, no, no.

Q A substantial period of time passed from that first request until you met with [redacted]

A No. I've only been to two of them.

Q When was the first one?

A The first one I think was sometime after he got called back here, and all he was doing was he briefed [redacted] on what was transpiring back here.

Q Did he describe his testimony?

A He didn't describe his testimony, to my knowledge, per se, no. He didn't say this is what they asked me. He just sat there and said that they are saying one thing and I'm saying another thing.

Q Which "they" was he talking about -- the Dewey Clarridge "they", the Committee "they"?

A No, no, not the Committee. I guess it was the guy that says -- it was between the guy that says he didn't get the message and the guy that says he did get the message.

Q So basically what [redacted] reported back was that someone said the message hadn't been received; is that correct?

A That's right.

Q Did he ask you anything about the extent to which you knew the message had been received?

A No, sir.

Q And you haven't had occasion to discuss with him what you were going to testify about today; is that correct?

A No. I sat there and told him -- the last thing I said to [redacted] is he got all the material from the Charge --

MR. POLGAR: [redacted]

THE WITNESS: thank you. He got -- the State Department sent him all the transcripts

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of the hearings and everything through his channels, and [redacted] told me that he had this TDY secretary making off copies for everybody. He said as soon as she is done you can have a copy so you can read what happened back here. And I said I don't want to. I said I was there. I know what I know. I said I don't need to know. Besides, I read something it might stick in my mind the wrong way.

BY MR. KERR: (Resuming)

Q So you made a conscious effort to preserve your recollection without the interference of newspaper stories and Committee questions?

A Yes, sir. I sat there and saw Ollie North on television a couple times, true. I read the Washington Post and read about the Agency communicator, who everybody knew who it was.

Q I assume you assumed it was you.

A Well, [redacted] assumed it was me.

Q Let me come back to the November-December period when you got the call from the IG. The IG simply made a request to you for information; is that correct?

A They just asked if I recalled the period, gave me that time period, if I recalled anything that happened during that time frame, if we held any records. They wanted to know if we held any records and stuff like

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that. I went back to them and told them that no records are held, that we had no records, and what I told you, what I recalled.

Q Were you told why the IG wanted that information?

A It said for ongoing -- how did they put it -- some kind of investigation. It was for some -- I don't know even if it had in there Iran-contra investigation. It was some kind of investigation.

Q Were you at all conscious in November of 1986 of Director Casey coming to the Hill to give testimony in late November about the Iran-contra matter?

A When was this, sir?

Q November of '86.

A The only thing I remember is reading about where the day before, I believe it was, he was due to testify is when he had his stroke?

Q That would be in December. But you weren't conscious of the testimony he was giving before that in November?

A No, sir, not that I can recollect.

Q And you don't recall any connection being drawn between the IG's request to you and testimony being sought in Congress by Director Casey?

MR. PEARLINE: I would just like to point out for the record that the IG investigation wasn't commenced until after the Director testified on November 21.

MR. KERR: I understand that's the CIA's position. I'm trying to make sure that that's exactly what was going on, since you all haven't been kind enough to give us the cable.

BY MR. KERR: (Resuming)

Q One other question on that score with regard to the cable that you sent to the IG. Do you have knowledge of anyone [redacted] who saw that cable? Did [redacted] see it, for example -- your cable back to the IG?

A Yes, sir, the one I sent.

Q He would have seen it before it went out, before your cable to the IG went out?

A My cable? He did see it before it went out.

Q Did you discuss it with him at all?

A No, sir. I just sat there and showed him what I sent.

Q Did he make any comment to you?

A No.

Q To say this corresponds with my recollection or doesn't or anything like that?

A I sat there and said that's all I can remember, and he said well, that's all you can sit there and say -- something to that effect.

Q Nothing else substantive that you can recall that was said between the two of you?

A Yes.

Q What was that?

A At least somebody else remembers about the missiles.

Q [redacted] told you that?

A Right.

Q One other way of trying to focus your recollection on time, do you recall having this conversation with [redacted] or sending out this cable before or after Thanksgiving of 1986?

A I don't know. You'd have to get it.

Q I have ever intention of getting it from the IG.

A The date I got the message is the date it went out. I'm almost positive I sent it out the same day, and I have no idea -- I can't recollect when I sent it.

Q Do you have any recollection of being advised by [redacted] that he was preparing a cable on these events?

A No, sir. He doesn't sit there and ask me to comment on his outgoing.

Q You were aware when he sent one; isn't that

right?

A I'm aware of everything -- well, let's put it this way. I'm aware of things that I sent out.

Q Do recall whether he sent his cable on these events before or after you sent your cable?

A I have no idea, sir. I can't recollect that.

Q Let me show you [redacted] dated December 4, 1986, which will be [redacted] Exhibit 5.

(The document referred to was marked [redacted] Exhibit Number 5 for identification.)

(Pause.)

Mr. [redacted] I'd like you to do a couple things with this document. First, I'd like you to read it to tell me whether or not you have ever seen it before and, if so, when. Beyond that, I'd like you to read with some care and see if you can tell me whether or not there is anything in your recollection which is inconsistent with that which the Chief [redacted] has set forth in his cable. So take a moment and read it, please.

(Pause.)

Let's do it from the top with regard to the cable, [redacted] Exhibit 5. Have you ever seen this cable before?

A I can't remember. I can't recollect. It's possible that I sat there and seen it. If I was there when it got sent out, I seen it.

Q Do you have any way of recalling whether or not you were present [redacted] on December 4, 1986?

A If it's during the week, a weekday, there's a good possibility I would have been, yes, sir.

Q But what you are telling me is you have no present recollection of reading and taking mental note of the cable that the Chief [redacted] was sending back to the IG?

A To be absolutely frank, sir, the contents of this message would not stick in my mind.

Q Tell me why that's so.

A At the time I would have been interested in reading it to find out what supposedly transpired, but there's nothing in there. There had been so much stuff going back and forth about this, it's old history by this time, you know.

Q I'm with you. With regard to what's in that cable, is there anything in that cable, reading it today, which is inconsistent with your own recollection?

A I don't recall. I do not recall the majority of this stuff happening. I was not privy to this stuff. You know, people have said that this one gentleman worked out of the hotel. I've heard people say about telephone

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calls [redacted] I don't have any recollection. I have no knowledge of that. My job was solely just to sit there and send messages.

Q With regard to his reference to a second message sent on his visit with Secord, which mentioned HAWK missiles, that is consistent with your recollection?

A All I remember is there was a message that dealt with HAWK missiles and the point they were coming from, where they were going, and the problems with the plane. That's all I recall.

Q Your recollection would be that what you recall is a message that went out from [redacted] Chief [redacted] correct?

A To the best of my knowledge, yes, sir -- to the best of my recollection.

Q I'm with you. Do you recall any message containing like or similar information that came into the [redacted]

A I honestly cannot truthfully say that it was a message that came in or went out. I honestly can't.

Q Is there voice communication between [redacted] [redacted] and Langley apart from picking up the telephone and dialing the number?

MR. POLGAR: Secure voice he means.

THE WITNESS: There's a capability, but I

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don't believe it was used. [redacted]

BY MR. KERR: (Resuming)

Q They did have voice communication but it was not functioning?

A At the time I don't believe it was. [redacted]

Q And that wasn't working real well?

A From what I can recall they had a lot of problems with it, the first part.

Q Do you have any knowledge of any record that is kept on that equipment, any kind of tape recording or

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other recordkeeping system?

A No, sir. To my knowledge there is not, not unless they've got it hid someplace.

MR. POLGAR: Off the record.

(A discussion was held off the record.)

BY MR. KERR: (Resuming)

Q Do you have knowledge of any other communications that were sent [redacted] to the IG regarding this matter other than the one you sent and the one the Chief [redacted] sent?

A No, sir.

Q To the best of your recollection and knowledge none of your fellow workers sent or were asked to send such a message -- [redacted] for example?

A My note to [redacted] it indicated that he did, that he was contacted. Now he did not say by whom. He said he was contacted about it. He was contacted, but he told them that he sat there and said he didn't remember anything.

Q If he told them that, he would have had to do it by way of a message, correct?

A He had to send a message.

Q So there would be a message that said I don't know nothing that went back to Langley?

A Yeah.

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Q It would have gone to the IG?

A I don't know. I don't know whether it went to the IG or not. I don't know who it went to.

MR. STILES: For the record, I know that there are two other cables that came in from two other communicators to the IG in response to the same cable that was sent out to [redacted]

MR. KERR: So that we can try to cut through the underbrush, is there some reason why those have not been produced to us?

MR. STILES: Well, I retrieved them for the purposes of the Independent Counsel's investigation. As far as your purposes are concerned, I wouldn't have any knowledge of it.

MR. PEARLINE: I wasn't aware of it. That's why I didn't produce them.

MR. KERR: What I'm trying to find out is whether or not we need to have Arthur and the Senator talk to you all to produce them or not. You're telling me you don't know a policy reason at this point why they haven't been produced.

MR. PEARLINE: No. And there's no objection to producing them either, I don't believe.

MR. POLGAR: It was my understanding from Mr. Howard that the other messages contained nothing of

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interest, that in essence they were negative messages.

MR. STILES: That's true.

THE WITNESS: I think my message was something like this (indicating). It was just a short blurb.

MR. PEARLINE: This is not an attempt to hide the messages.

MR. KERR: I'm just trying to find out why it hasn't been produced, and you're telling me it is because you didn't know about it?

MR. PEARLINE: That's right.

MR. KERR: There hasn't been a policy decision made at CIA not to produce them?

MR. STILES: Not at all. In fact, the Independent Counsel's office has seen these cables.

MR. KERR: Being the sort that likes to collect all pieces of paper, I would like to see all pieces of paper.

BY MR. KERR: (Resuming)

Q With regard to [redacted] do you have any knowledge of whether or not -- do I have the right name?

A Yes, sir.

Q Do you have any knowledge of whether or not she has submitted any kind of report?

A I don't even know if [redacted] has been contacted about it, and I cannot contradict what the

Chief [redacted] states in here.

Q I'm not asking you to. What I'm asking is whether you have any present knowledge of her having communicated to the IG about what she knows.

A No, I do not.

Q Do you have knowledge of anybody else at [redacted] [redacted] who communicated with the IG about this matter?

A No, I do not. To my knowledge, to clarify one thing, sir, to my knowledge, unless I wasn't there, there was only two that went out from [redacted] to the IG. One was from myself and one was from [redacted] and that's it.

Q Now let me just do some concluding questions on the way these cables operate and then I'll turn it over to Jack and any questions Tom may have.

If I'm understanding your testimony, you don't at the present time have a recollection of any mechanical difficulties with the mechanics of sending cables to and from Langley in the period November 21 through November 25, 1985; correct?

A That's correct. Yes, sir.

Q Can you recall at any point during your tour [redacted] when a cable was sent [redacted] and was not received by Langley? Have you ever had that happen to you?

A I have had occasions where we have sent traffic from not only [redacted] we have sent traffic from a [redacted] and, say, the Washington addressee would sit there and say -- we'd get a message in saying did not receive ref message, please retransmit. And the message could be, you know, three weeks old. But that is a breakdown in the message center in Langley, because all our messages have numbers on them which are check [redacted] numbers, if you will, that they stay in sequence [redacted] and if something, an office, says in three weeks they have not received a message, please retransmit, we know it got as far as the message center because they usually request us to retransmit for this missing number within 24 hours. That's SOP.

Q I understand SOP and I understand what you're talking about on that score. But let me focus [redacted] Do you have any recollection [redacted]

A Yes, sir.

Q That has happened?

A Has happened.

Q And when it does happen you are asked to retransmit customarily within 24 hours; correct?

A No, no, no. We have had [redacted] where different places have asked us to retransmit a message that they say they haven't gotten, they haven't received. Like say if we sent a message to point A and a week later nothing, we go out with another message, please reply to Ref, the message. Two days later they come back and say we never got it; please retransmit it. Well, we know they did because the signals center never requested us to retransmit for that missing number.

So somebody back there misplaced it, lost it.

Q Somebody at the receiving station?

A Right. But I've had it happen, yes, sir.

Q With regard to messages into Langley, into headquarters, have you had a situation?

A Yes, sir.

Q Where that's happened?

A Yes, sir.

Q And the same problem would occur? The problem would be at the message center at Langley; correct?

A Yes, sir. [redacted]

[redacted]

Q To follow that through, the customary procedure, then, and the way Langley operates is they do a check the next day of the previous day's traffic [redacted] [redacted] is that right?

A I don't know how Langley does it, but it's the standard procedure and the way it should be done. Without a 24-hour period you should check every station to see if there is any numbers that you're missing.

Q And if there were numbers missing -- i.e., they didn't have a record of having received them --

A They request those num [redacted]

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Q But what you're telling me is there is a check system that you all have vis-a-vis Langley to review on a periodic basis, and it's fairly quickly periodic, at least every 24 hours or so.

A It should be, yes, sir.

Q Whether or not they have actually received the cables?

A Yes, sir.

Q And sitting here today you have or do you not have any recollection of having gotten a message that there was a missing cable in the period November 21 through 24, 1985?

A I have no recollection at all, sir.

Q If there had been such a number I assume that you would have sent the cable into Langley; is that correct?

A Yes, sir. All it would have to do would be [redacted]resent, the same numbers and everything.

Q So if for some reason the cable hadn't been sent or hadn't been received at Langley within 24 hours or so you would have known that from Langley and your standard operating procedure would have been to send the cable again at that point?

A Yes, sir, except if it was a Flash it would have been a lot sooner than that.

Q And we've gone through what happens with Flash messages.

A Yes, sir. You would not have waited 24 hours.

Q There's nothing about the privacy channel that would cause the system to be short-circuited, correct?

A No, sir. This up here has nothing to do with the privacy channel. This is all from our communication terminal to Langley's communication terminal before it goes to message distribution.

Q So the communications system which is designed to make sure that messages don't get lost between the tracks works whether you are privacy channel or any other channel?

A That's correct. Yes, sir.

Q In terms of the numbering system -- and I get confused on this -- does the machine assign the [redacted] number?

A Yes, sir.

Q The machine assigns it?

A The machine assigns this number here. The machine assigns this number here, which is really like down here you'd have -- you could have site [redacted] and if they are in [redacted] series that would be [redacted] which this number is the last four numbers. And the machine automatically assigns this number, the message number here, this number, the Julian date-time group, and, of course, the date-time group here, and these check numbers.

Q So the human beings do not play any role in actually placing a number on a cable; correct? The machine takes care of that for you?

A On [redacted] system the machine does it all, sir.

Q Again, so it can't be a matter of human error to miss a number, the machine is going to put its numbers on sequentially come what may; isn't that right?

A Yes. [redacted]

Q Have you ever encountered a situation where the machine blew a number for you?

A No, sir. I've encountered a situation where for some reason it didn't close a number. [redacted]

Q But what you're telling me is that you have never been in a situation where there was a totally phantom number, that where there was a number there was no cable?

A No, sir.

Q Has there ever been a situation during your tenure [redacted] where there has been a number assigned where there was no message that went with the number -- where you shot a blank, so to speak?

A Yes, sir.

Q Can you explain to me how that might happen?

A Yes, but the number would never be used.

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[redacted]

Q Again, that's something that if it happened it is likely to stick in your memory, isn't it?

A Yes, sir.

Q Did that happen, what you've just described, in the period November 21 through November 25, 1985?

A To my recollection, no, sir. And if it did happen -- I'm saying if I did happen -- the message would have been sent out the next one anyway.

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Q Now just to kind of sum up, it would be correct, would it not, that the system, the commo system that you have described, is designed to establish a mechanism that accounts for all cables and all numbers of all cables that are sent [redacted] to other [redacted] correct?

A Yes, sir.

Q And that system is designed to allow you to tell on an automatic basis, automatic either because of the Flash system or automatic because of standard operating procedure when something hasn't been received; is that correct?

A Yes, sir.

MR. TAYLOR: I just have a few points. I'll be very brief.

BY MR. TAYLOR:

Q Looking at the sheet which is my little bible, I notice that all the communication seems to be between two addressees, the Director [redacted] and [redacted] to the Director. For instance, Director [redacted] And on the second page, about the 26th of November, 27th -- you can't see it on the sheet -- but Langley began including other officers as info recipients of these messages.

In other words, if one were sent from Langley [redacted] he might include [redacted]s an info recipient for the message. Did you ever send any message at all to any other [redacted] as an info or information recipient for the message during this period of time on this subject?

A To my recollection, sir, I can't remember.

Q Do you recall ever conversing with another [redacted] other than headquarters on this at all?

A No, sir.

Q Did you ever, since this involved Israel and later involved [redacted] did you ever send any traffic to [redacted]

A Yeah, [redacted]

Q Or [redacted] receive any?

A I cannot recollect, sir. I do not think so, but I honestly can't remember. I know if I was given traffic that had them, you know, in the addressee line as information addressees, it's automatic. The machine puts on the numbers for all these stations and it gets sent automatically to the other stations. So we don't have to -- there's no manual intervention that the Chief [redacted] would want to send say this message [redacted] and [redacted] as information addressees.

The message is sent to the Director. We just feed that in and it gives out the number for the Director, [redacted] It goes to all three people automatically.

Q So that determination is left up to the Chief [redacted] then?

A Yeah. We do not sit there and direct. We have no dictate of where the message goes. The Chief [redacted] [redacted] says where it goes, or Langley headquarters in their outgoing.

Q Would you review this one cable. It's [redacted] [redacted] dated November 23 and it's one of the cables we picked up very late from CIA. That's a name that's not been mentioned so far.

A I have no idea who it is.

MR. KERR: That's deep cover.

THE WITNESS: I have no idea.

BY MR. TAYLOR: (Resuming)

Q I was hoping you might say that because otherwise we'd have to go another two hours. This individual happens to be apparently getting overtime for some activity during the critical period.

A I can give you who it was from the message. You know, I can tell you what his purpose apparently was. I have no recollection that the guy was even there. I don't know who it is. [redacted]

[redacted]

So all this person here was doing at this time was [redacted] working on the air conditioning.

(Laughter.)

MR. KERR: That's cover, by golly. I like that.

THE WITNESS: This right here. [redacted]

BY MR. TAYLOR: (Resuming)

Q Show me the one that says air conditioning. I'd like to see that.

[redacted]

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MR. POLGAR: When you read [redacted] [redacted] matter that has nothing to do with substance.

MR. TAYLOR: Every Tom, Dick and Harry should know that.

(Laughter.)

So much for my little jaunt in this direction. I'm just going to bury it. I did have one more question.

BY MR. TAYLOR: (Resuming)

Q It's along the line of the first.

A You have another one?

Q Yes, one more. There was one more cable that was missing that we thought would be of interest to us at one point and this particular cable was sent after the [redacted] were asked to report [redacted], by Flash from headquarters, and the best we've been able to do is narrow it down between [redacted] on November 22 and [redacted] the same day. So there's a two-hour time period there where we think that particular cable was missing.

I'll ask you to look at [redacted] and you see it has a circle around it -- missing.

MR. POLGAR: That's a headquarters message, isn't it, a Director message?

MR. PEARLINE: Yes, that's right.

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MR. TAYLOR: It could be a very innocuous --

MR. POLGAR: We assume that's the one where Clarridge explains what this is all about.

BY MR. TAYLOR: (Resuming)

Q That would have been the first inclination of what the heck is going on to you guys. Do you recall any occasion where you picked up the first piece of information on this from headquarters explaining what was happening?

A No, sir.

Q I don't know who would have been there.

A That's [redacted] again. I have no knowledge, no recollection of this, no, sir.

Q Let me see if I can give you some hints from what I think may have happened if it were indeed the notification cable on this particular topic, and I think it probably was. Do you recall anything along the line of this is a National Security Council operation or an NSC operation?

MR. PEARLINE: Would you have been on duty?

THE WITNESS: I don't even know if I would have been there.

BY MR. TAYLOR: (Resuming)

Q You would have seen it after you came to work, obviously.

A There would be no need for me to actually see it unless [redacted] would have kept it for me and say, hey, look at this neat stuff that came in. [redacted] wasn't like that.

Q So this would have already been transferred?

A This could have possibly still been in [redacted] and he was trying to get it out. I'm not being facetious. This has happened for me. I went in to work one time and he was there bleary-eyed and everything, and I said, what's the matter, [redacted] And he says, I've been trying to get this Flash message out now for the last three hours. [redacted]

And I told him why didn't you just type it on the board. He said, I never thought of that. So you could see why we more or less let [redacted] after we came in to work, relax. I honestly can't remember. [redacted] was a very nice gentleman. He was just -- he retired. When he came [redacted] he had already retired. It was his retirement post and he retired when he got there.

MR. TAYLOR: Those are the only things I had questions on. I have enjoyed each and every answer.

MR. KERR: Before we let you go, [redacted] let me talk to Mr. Polgar.

(A brief recess was taken.)

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BY MR. KERR: (Resuming)

Q [redacted] let me finish up with a couple of questions designed to make sure I haven't missed anything along the way. In terms of [redacted] and the period between November 21 and November 25 you have indicated that you don't recall discussing with him your concerns about the HAWK missiles or your reaction to the HAWK missiles in the cable, if I'm understanding you correctly.

Did you have any substantive discussions with [redacted] during this period about this matter at all that you can recollect?

A No, sir.

Q So essentially what happened was [redacted] messages came to you to send out but you did not have occasion to discuss with [redacted] what he was doing about this mission?

A No, sir.

Q Is the same thing true of [redacted] Did you talk to [redacted] at all?

A No. [redacted]

[redacted]

Q [redacted] you don't recall any substantive discussion with [redacted] about what he was doing or what was going on?

A I have never even to this date, I have never talked to [redacted] about this incident.

Q Similarly with regard to [redacted] deputy, any substantive conversations you would have had with him during this period of time?

A No, sir.

Q And with [redacted] do you recall discussing with her what was going on?

A No, sir. To the best of my recollection, nobody. I mean, I would have no recourse to talk to [redacted] or [redacted]

Q The final question. Just in terms of people that you've talked to about these incidents, we know that you sent the cable to the IG. We've talked about that. What other people have you related your recollections of this matter to? Who else have you talked to about this?

We know about the lady this morning, the IG.

A Well, I've told in essence the story of what I recall to the lady at the IG and to [redacted]

Q And who is [redacted]

MR. PEARLINE: [redacted] is a DDA representative who is handling matters pertaining to this investigation for the Directorate.

BY MR. KERR: (Resuming)

Q And [redacted] and you would have had this discussion approximately when?

A This morning at 9:00.

Q So you got her first and then Carla second?

A Yeah. They were running me right through the gauntlet.

MR. STILES: I think for the record, though, it ought to be pointed out that --

THE WITNESS: She wasn't grilling me. We were just talking about it.

MR. STILES: [redacted] made the arrangements for him to come back up and so forth, so it was of short duration.

THE WITNESS: Yes. We were just sitting there and I mentioned to her -- I was telling her that I really couldn't see why I was here, because, you know, alls I know is what I said.

BY MR. KERR: (Resuming)

Q So apart from [redacted] and -- what's Carla's name?

MR. STILES: [redacted]

BY MR. KERR: (Resuming)

Q Carla and [redacted] are there any other people that you have discussed your recollections with?

A You mean of what I remember about that time? Probably the chaps that are with me now because I told them I was coming. I was sitting there and I was telling him. My wife, of course. [redacted] And that's it.

Q So you've not been interviewed by the Independent Counsel, for example?

A No, sir.

Q And in terms of the IG, apart from the cable and the discussions that you had with Carla this morning there's been no other face-to-face discussion with the IG?

A That's it.

Q Office of General Counsel, CIA -- any discussions with them?

A No, sir.

MR. STILES: A short one with me.

THE WITNESS: Well, just talking with him in the hall.

MR. STILES: And, for the record, just to be clear, he will be interviewed tomorrow by the Independent

Counsel representatives.

MR. PEARLINE: And we had a short discussion of about a half hour before we came down.

THE WITNESS: I'm sorry. This gentleman here.

BY MR. KERR: (Resuming)

Q In terms of recorded recollections, people making a record of what you told them, do you have any knowledge of any such records other than the cable you sent and the transcript that's being made here?

A You mean somebody wrote down what I said?

Q Yes.

A The IG.

Q The IG this morning?

A Carla.

Q This morning?

A Yes, sir.

Q And you yourself haven't maintained any kind of diary or other written record?

A No, sir.

MR. KERR: [redacted] I appreciate your coming in. Washington's lovely at this time of year. I think you should spend a day or two before you go back to [redacted]

(Whereupon, at 4:07 p.m., the taking of the instant deposition ceased.)

____
Signature of the Witness

Subscribed and Sworn to before me this __________ day of ______________________, 1987.

____
Notary Public

My Commission expires: ______________________________

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CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

Notary Public

in and for the District of Columbia

My Commission Expires: February 28, 1990

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TCT 22[redacted] NOV 85 DIRECTOR 624839

~~S E C R E T~~
STAFF 22[redacted] DIRECTOR 624839
TO: FLASH [redacted]

[redacted]

SUBJECT: MESSAGE FOR [redacted]

FROM [redacted]

1. PLS HAVE [redacted] REPORT TO OFFICE AND STANDBY FOR SERIES OF MESSAGES.

2. NO FILE. DECL OADR HUP 4-82. ALL SECRET. ORIG & RELEASED BY DDO/CO [redacted] PER AUTHORITY OF C/EUR (CLARRIDGE). CL BY [redacted]

END OF MESSAGE ~~SECRET~~

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Partially Declassified/Released on 17 AUG 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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PAGE 001
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~~S E C R E T~~
STAFF 22[redacted] DIRECTOR 624939
TO: FLASH[redacted]

SUBJECT: MESSAGE FOR [redacted]

FROM [redacted]

1. PLS HAVE [redacted] REPORT TO OFFICE AND STANDBY TO ASSIST [redacted] ON SPECIAL ASSIGNMENT.

2. NO FILE. DECL OADR HUM 4-82. ALL SECRET. >
ORIG & RELEASED BY DDO/DO [redacted] PER AUTHORITY OF C/EUR (CLARRIDGE). CL BY [redacted]

END OF MESSAGE

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TOR: 22[redacted]NOV 85

IN 9088770 [redacted]

S[redacted]T 22[redacted]NOV 85 STAFF

C[redacted]

TO: [redacted]

SUBJECT: NSC MISSION

REF DIRECTOR 625103

1. [redacted] CONTACTED COPP AGAIN AT 0900 HOURS 22 NOVEMBER. AT THAT TIME HE ONLY REQUIRED ASSISTANCE IN VERIFYING TELEPHONE NUMBERS OF PM AND FM. WE DID SO. HE STATED HE WAS ARRANGING TELEPHONE CALL FROM VERY SENIOR OFFICIALS. HE ASKED WE TAKE NO ACTION AT THAT TIME. AT 1250 HOURS [redacted] PHONED [redacted] WITH URGENT REQUEST FOR ASSISTANCE. HE A[redacted] MINISTER OF FOREIGN AFFAIRS HAD APPROVED EL-AL CHARTER [redacted] BUT HAD NOT SIGNED PAPER BEFORE GOING TO BRUSSELS. FOR[redacted] MINISTER RETURNED TO [redacted] BUT WAS OCCUPIED MORNING OF [redacted] MBER [redacted] HE NOTED [redacted] MFA, REFUSED TO ISSUE APP[redacted] PENDING MINISTER'S SIGNATURE. THIS PUT COPP IN BIND AS [redacted] FOR PLANE'S DEPARTURE WAS TWENTY-MINUTES AWAY AT [redacted] POINT. [redacted] POINTED OUT THAT IN THIS K[redacted] APPROACH CHARGE COULD ALSO EFFECTIVELY ASSIST. COPP[redacted]TING [redacted] RECOMMENDATION ON BEHALF OF CHARGE, S[redacted] HE WOULD PHONE WASHINGTON AND ASK THEM TO ALSO ENLIS[redacted]ARGE'S HELP. THIS WAS NECESSARY IN [redacted] VIEW BECAUSE THE MOMENT WE STARTING PUTTING OVERT PRESSURE ON PM OFFICE AND FM WE OPENED THE VERY REAL POSSIBILITY THAT THE DEMARCHE WOULD GET BACK TO THE AMBASSADOR CREATING A DELICATE POLITICAL PROBLEM.

2. [redacted]

3. [redacted]

4. [redacted] THEN PHONED COPP AND ADVISED HIM OF DEVELOPMENTS. HE REPORTED HE HAD TALKED WITH WASHINGTON AND OBTAINED THEIR

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AGR[illegible] THE CHARGE ALSO. [redacted]
[redacted]
[illegible]ATED CHARGE NOT TO DEPART EMBASSY.
[illegible]ATELY, HE WAS IN HIS OFFICE AND AGREED TO STANDBY
[illegible]SHOULD BE ABLE TO ASSIST WITH HIS OVERT CONTACTS
[redacted]
[illegible] COPP HAS JUST ADVISED [redacted] THAT PLANE HAS MISSED ITS
T[illegible]WINDOW B[illegible]SION COMMANDER IS STILL STANDING BY.
C[illegible]SED IT [illegible]SSIBLE PLANE WILL TAKE OFF WITHOUT THE
[redacted]
PRO[illegible] WE WILL CONTINUE TO WORK ON THE

6. FILE: NONE. DECL OADR DRV HUM 4-82.
END OF MESSAGE
                                   ~~SECRET~~
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REVIEWED FOR RELEASE
Date 20 APR 87
HSC & SSC

C/IN 2132

~~SECRET~~
UNCLASSIFIED

22 Nov 85

[redacted] 4
7/13/87 mx

UNCLASSIFIED

The cables shown in parentheses are previously transmitted cables which are referenced by the originating office. The times used for the cables is Greenwich Mean Time.

[redacted]

*Missing cable

**Cable transmitted twice

DIRECTOR [redacted] 1985

NOV 22

[redacted]

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624839 ---------
624939 ---------
*(625103)-------
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625792 -------
625908 ---------
(625792)--------
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626226 -------
626449 --------
626552 --------

(626226)--------
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626939 ---------
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627461 ---------

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627576 ---------
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627621 ---------
627626 ---------
627627 ---------
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(627461)--------
(84591) --------
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[redacted]

[redacted]

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under provisions of E.O. 12356
by K. Johnson, National Security Council

5141

NOV 23

[redacted]

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DIRECTOR	[redacted]	Date
627760	[redacted]	11/24/85
(627760)	[redacted]	
627797	[redacted]	
627896	[redacted]	
(627896)	[redacted]	
(627896)	[redacted]	
(627896)	[redacted]	
628215	[redacted]	
(628215)	[redacted]	
628227	[redacted]	
(628227)	[redacted]	
628234	[redacted]	11/25/85
(628234)	[redacted]	
(628234)	[redacted]	
(84599)	[redacted]	
(627576)	[redacted]	
(84600)	[redacted]	
628289	[redacted]	
628303	[redacted]	
628350	[redacted]	
628366	[redacted]	
(628289)	[redacted]	
(628303)	[redacted]	
(628289)	[redacted]	
628681	[redacted]	
(628547)	[redacted]	
	[redacted]	
628752	[redacted]	
628959	[redacted]	
(628959)	[redacted]	11/26/85
(72697)	[redacted]	
(628366)	[redacted]	
	[redacted]	
(REDACTED)	[redacted]	11/27/85
631009	[redacted]	
631010	[redacted]	
(628289)	[redacted]	
631110	[redacted]	
631112	[redacted]	
(72724)	[redacted]	
(628366)	[redacted]	
631532	[redacted]	
631683	[redacted]	
631684	[redacted]	
(631684)	[redacted]	11/29/85
638740	[redacted]	12/3/85
(631684)	[redacted]	12/10/85
[illegible]	[redacted]	12/11/86
	[redacted]	1/6/86
	[redacted]	1/23/86

[redacted]

S E C R E T [redacted] DEC 86 STAFF

UNCLASSIFIED

4 Dec 86

SINGLE COPY

CITE [redacted]

TO: IMMEDIATE DIRECTOR.

[redacted] FOR THE INSPECTOR GENERAL FROM [redacted]

SUBJECT: [redacted] SUPPORT TO NSC MISSION, 22-27 NOV 86

REF: DIRECTOR 107023

#605

0596

1. ALL [redacted] DOCUMENTS INCLUDING INCOMING AND OUTGOING CABLE TRAFFIC DEALING WITH SUBJECT MISSION WERE SHREDDED AND DELETED FROM [redacted] IN DECEMBER 1985 CONSONANT WITH THE HIGH SENSITIVITY ACCORDED TO THE MISSION. THE ONLY [redacted] PERSONNEL AWARE OF THE MISSION WERE [redacted] THE [redacted] AND OF COURSE OUR COMMO PERSONNEL. [redacted] TOOK ALL ACTION HIMSELF AND DRAFTED ON [redacted] ALL OUTGOING COMMUNICATIONS. HENCE, [redacted] CLERICAL PERSONNEL WERE NOT INCLUDED IN THE BIGOT LIST. [redacted] DOES NOT HAVE A COPY OF DIRECTOR 625103.

2. THE FOLLOWING IS RECONSTRUCTED FROM MEMORY AND MAY CONTAIN MINOR DISCREPANCIES. ALL [redacted] ACTIONS WERE FULLY REPORTED IN THE [redacted] CHANNEL. [redacted] WRITTE[redacted] RECORD SHOULD THEREFORE BE CONSIDERED THE AUTHORATATIVE SOURCE.

A. CIRCA 0300 HOURS LOCAL ON 22 NOVEMBER, THE ON DUTY COMMUNICATIONS OFFICER SUMMONED [redacted] IN RESPONSE TO A NIACT CABLE. UPON ARRIVAL [redacted] CIRCA 0400 HOURS [redacted] FOUND TWO NIACT CABLES. ONE, ADDRESSED TO [redacted] INSTRUCTED HIM TO STANDBY FOR INSTRUCTIONS FROM THE NATIONAL SECURITY COUNCIL REGARDING A HIGHLY SENSITIVE MISSION. THE SECOND CABLE, ADDRESSED TO [redacted] INSTRUCTED HIM TO STANDBY TO ASSIST [redacted] AS NEEDED IN PERFORMING A HIGHLY SENSITIVE MISSION FOR THE NATIONAL SECURITY COUNCIL. [redacted] ARRIVED, READ HIS MESSAGE AND STOODBY TO ASIST. NOT MUCH LATER, A THIRD MESSAGE ARRIVED. IT CONTAINED WORDS TO THE EFFECT THAT THE NATIONAL SECURITY COUNCIL DIRECTED [redacted] TO CONTACT IMMEDIATELY ALIAS RICHARD COPP AT A SPECIFIED TELEPHONE NUMBER AND TO ASSIST HIM AS REQUIRED IN THE PERFORMANCE OF HIS HIGHLY SENSITIVE CLASSIFIED NATIONAL SECURITY COUNCIL MISSION. THE CABLE SPECIFICLY DIRECTED [redacted] NOT TO DISCUSS THE ASSIGNMENT WITH THE AMBASSADOR.

B. [redacted] IMMEDIATELY PHONED THE CITED NUMBER. THE NUMBER TURNED OUT TO BE THAT OF A LOCAL HOTEL. [redacted] ASKED THE DESK FOR COPP. A FEMALE ANSWERED THE NUMBER IN COPP'S ROOM AND SAID COPP HAD JUST DEPARTED FOR THE "OFFICE". SHE PROVIDED THE OFFICE NUMBER. [redacted] CALLED THE NUMBER. IT WAS ANSWERED BY A [redacted] MALE. [redacted] WAS SUMMONED TO THE PHONE. [redacted] IDENTIFIED HIMSELF AND PLACED HIMSELF AT COPP'S DISPOSAL. AT THAT TIME, COPP SAID HE THOUGHT HE HAD HIS PROBLEM UNDER CONTROL BUT COULD NEED HELP. HE WOULD KNOW BETTER BY 0800 HOURS. [redacted] PROVIDED COPP WITH THE NECESSARY PHONE NUMBERS AND TOLD HIM HE WOULD STANDBY [redacted] TO ASSIST AS

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under provisions of [illegible]
by K. Johnson, [illegible]

[redacted]

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[redacted]

REQUIRED. FROM THAT POINT, MATTERS DEVELOPED EXACTLY AS REPORTED IN DETAIL IN THE [redacted] TRAFFIC.

C. AS COPP'S PROBLEMS DEVELOPED AND [redacted] ATTEMPTED TO ASSIST HIM IN RESOLVING THEM, THE TWO TALKED [redacted]QUENTLY BY PHONE UNTIL COPP'S DEPARTURE ON 24 NOVEMBER. [redacted] REMAINED AT [redacted] THROUGHOUT THE ENTIRE PERIOD WITH THE EXCEPTION OF BRIEF VISITS HOME TO OBTAIN CLOTHING ETC. COPP WORKED OUT OF THE "OFFICE". IT SOON BECAME CLEAR THAT COPP HAD WITH HIM A SECURE COMMUNICATIONS TEAM WHICH WAS SET UP IN THE "OFFICE". THUS, COPP WAS IN DIRECT COMMUNICATION WITH THE NSC IN WASHINGTON. AS EVENTS EVOLVED [redacted] CONCLUDED COPP WAS OPERATING OUT OF OFFICE SPACE PROVIDED BY [redacted] INDICATED HE WAS A FELLOW OF DUBIOUS REPUTATION [redacted] HAD BEEN DEEPLY INVOLVED IN ARMS SHIPMENTS TO IRAN AND ELSEWHERE WHICH ORIGINATED [redacted]

D. COPP HAD ESSENTIALLY TWO PROBLEMS: ONE, HE URGENTLY NEEDED [redacted] LANDING RIGHTS FOR AN AIRCRAFT COMING FROM ISRAEL, AND TWO, HE NEEDED AN AIRCRAFT FROM [redacted] TO CARRY THE AIRPLANE'S CARGO ON TO TEHERAN. [redacted] APPARENTLY WAS THE LOCAL CONTACT WHO WAS TO ARRANGE FOR THE TWO ITEMS. [redacted]

E. AS EVENTS DEVELOPED, COPP TURNED TO [redacted] TO URGENTLY ASSIST IN OBTAINING THE LANDING RIGHTS AND THE SECOND AIRCRAFT. COPP QUOTED [redacted] AS SAYING THAT [redacted] WAS SUDDENLY BEING DIFFICULT AND WERE NOT MAKING A PLANE AVAILABLE AS PROMISED. AS THE [redacted] TRAFFIC INDICATES, [redacted] ATTEMPTED TO ASSIST ON BOTH COUNTS. [redacted] IN TRAFFIC TO HEADQUARTERS AND BY PHONE TO COPP OBSERVED THEY WERE TAKING THE WRONG APPROACH TO GET [redacted] PERMISSION FOR LANDING RIGHTS. ALL SOURCES INDICATED [redacted] PLANNED TO DEAL CORRECTLY AND FORMALLY WITH THE USG. RIGHTLY OR WRONGLY, THE [redacted] BELIEVED THAT [redacted] IN THE FACE OF THIS DETERMINATION, COPP HAD THE DIFFICULT PROBLEM OF PERSUADING [redacted] TO PERMIT HIM AT THE LAST MOMENT TO MOUNT HIS MISSION [redacted] RECOMMENDED TO HQS AND COPP THAT THE MOST SECURE AND EFFICIENT MEANS TO OBTAINING LANDING RIGHTS WOULD BE TO [redacted] CONFIDENTIALLY AND URGENTLY REQUEST [redacted] FOREIGN MINISTER'S PERSONAL INTERVENTION. [redacted] WAS DIRECTED BY HEADQUARTERS NOT TO [redacted] AND) TO PROCEED IN ASSISTING COPP PULLING OUT ALL STOPS.

F. [redacted] BY THIS TIME, COPP HAD ADVISED BY PHONE THE MISSION WAS "HUMANITARIAN" IN NATURE [redacted] ALSO APPROPRIATELY VIA AN INTERMEDIARY CONTACTED THE HEAD OF [redacted] REPLIED HE WAS WILLING TO CHARTER AN AIRCRAFT BUT ONLY HAD TWO APPROPRIATE FOR THE MISSION AND NEITHER WAS IN COUNTRY, ONE IN [redacted] AND ONE IN [redacted] IF MEMORY SERVES CORRECT.

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2. BY THE AFTERNOON OF 22 NOVEMBER COPP AGREED THE BEST APPROACH HAD BECOME ASKING THE CHARGE TO MAKE A DEMARCHE TO THE FOREIGN MINISTER. HE RECOMMENDED SAME TO WASHINGTON. AND [redacted] WAS INSTRUCTED TO BRIEF THE CHARGE AND ENLIST HIS ASSISTANCE. [redacted] DID SO. FROM THAT POINT ON [redacted] COORDINATED ACTIVITY OF CHARGE WITH COPP. AS THE RECORD SHOWS, THE [redacted] WERE FORMAL AND CORRECT IN THEIR RESPONSES AND QUIBBLED OVER MUCH OF THE WORDING OF THE REQUEST. AT SOME POINTS, ACCORDING TO COPP, MACFARLANE WHO WAS IN ROME TALKED TELEPHONICALLY WITH THE FOREIGN MINISTER AND PRIME MINISTER. SOMEBODY BEYOND [redacted] KEN DECIDED TO LAUNCH THE PLANE FROM ISRAEL BEFORE LANDING RIGHTS WERE OBTAINED. THE PLANE REACHED THE GO OR NO GO POINT BEFORE [redacted] WERE SATISFIED AND RETURNED TO ISRAEL. COPP DEPARTED [redacted] ON 24 NOVEMBER FOR SWITZERLAND AND THEN ISRAEL WHERE HE SAID THEY WERE HAVING DIFFICULTY LOADING THE EQUIPMENT INTO A SECOND PLANE AS THE FIRST WAS NO LONGER AVAILABLE.

3. [redacted] (AND THROUGH HIM THE CHARGE) WAS NOT BRIEFED ON THE MISSION'S OBJECTIVE UNTIL CIRCA 1100 HOURS ON SATURDAY 23 NOVEMBER. UNTIL THAT TIME THEY ONLY KNEW THEY WERE SUPPORTING A SENSITIVE NSC MISSION THAT INVOLVED A PLANE FLYING FROM ISRAEL [redacted] WITH A CARGO THAT HAD TO BE RELOADED AND CARRIED TO TEHERAN IN A SECOND PLANE. [redacted] AND CHARGE, GIVEN THE INVOLVEMENT OF ARMS MERCHANT [redacted] AND THE USE OF THE PHRASE "HUMANITARIAN MISSION", MADE THE OBVIOUS ASSUMPTION. SOME KIND OF NSC OPERATION WAS ON THAT COULD BE INTENDED TO FREE HOSTAGES. BEFORE APPROACHING THE FOREIGN MINISTER, THE CHARGE ASKED TO BE ASSURED THAT SECRETARY SHULTZ WAS AWARE OF THE OPERATION AND THE REQUEST THAT HE APPROACH THE GOVERNMENT. THESE ASSURANCES WERE GIVEN.

4. AT CIRCA 1030 ON 23 NOVEMBER DURING A PHONE CONVERSATION, COPP ASKED IF [redacted] KNEW WHAT THE MISSION WAS ALL ABOUT. [redacted] REPLIED HE COULD MAKE SOME GUESSES BUT HAD NOT BEEN INFORMED. COPP OPINED THAT [redacted] CHARGE SHOULD KNOW IN ORDER TO ASSIST. AT 1100 HOURS ON 23 NOVEMBER COPP AND [redacted] MET IN [redacted] CAR FOR TEN MINUTES IN THE PARKING LOT OF A NEARBY HOTEL. THIS WAS THE ONLY DIRECT MEETING BETWEEN THE TWO. COPP ADVISED THAT THE PLANE WAS CARRYING HAWK MISSILES WHICH WERE BEING TAKEN TO IRAN AS PART OF A SENSITIVE MISSILES FOR HOSTAGES DEAL. HE NOTED THE IRANIANS WERE HIGHLY SUSPICIOUS AND DID NOT TRUST THEM AND THEY THEREFORE WERE UNDER EXTREME PRESSURE TO GET THE MISSILES TO TEHERAN AT THE AGREED UPON TIME. THIS WAS THE ONLY EXPLANATION GIVEN. SINCE THIS WAS THE FIRST TIME [redacted] WAS ABLE TO TALK WITH COPP WITH A FAIR DEGREE OF SECURITY [redacted] ADVISED THAT HE BELIEVED THEY HAD GONE ABOUT THE OPERATION IN SOMEWHAT LESS THAN A PROFESSIONAL MATTER. [redacted] EXPRESSED MISGIVINGS ABOUT [redacted] ALSO, THE EFFORT AT THE AIRPORT ON THE EVENING OF [illegible] NOVEMBER PROBABLY DOOMED THE EFFORT TO FAILURE. [redacted] TWO MEN, ONE BEING [redacted] AND ONE BEING AN UNIDENTIFIED AMERICAN FROM THE NSC, ATTEMPTED TO INTERCEPT THE PRIME MINISTER'S PARTY AT THE AIRPORT WHEN RETURNING FROM A NATO MEETING IN BRUSSELS. THE PRIME MINISTER REACTED STRONGLY AND NEGATIVELY TO THIS APPROACH AND VIEWED ALL SUBSEQUENT CONTACTS WITH SUSPICION. [redacted]

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[redacted]. IN SHORT [redacted] STRONGLY RECOMMENDED THAT IN FUTURE OPERATIONS OF THIS NATURE THAT INVOLVED [redacted] THAT WE COULD BE MUCH MORE SUPPORTIVE IF BROUGHT IN SOONER AND THAT THE BEST AND MOST SECURE WAY TO OBTAINING LANDING PERMISSION WOULD BE TO ASK THE AMBASSADOR TO DISCREETLY APPROACH EITHER THE FOREIGN MINISTER OR PRIME MINISTER. COPP TOOK THE ADVICE IN GOOD SPIRIT.

5. [redacted] AND THE CHARGE BRIEFED THE AMBASSADOR [redacted] ON THE ABOVE DEVELOPMENTS WHEN THE AMBASSADOR RETURNED TO COUNTRY.

6. FILE: NONE. DECL OADR DRV [redacted]

END OF MESSAGE

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Stenographic Transcript of

HEARINGS

HSITS - 180 /87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

CIA IDENTITY "A"

DEPOSITION OF [redacted]

Tuesday, May 5, 1987

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Partially Declassified/Released on 7 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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Washington, D.C.

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AR
ALDERSON REPORTING
(202) 628-9300

UNCLASSIFIED

DEPOSITION OF [redacted]

Tuesday, May 5, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D. C.

Deposition of [redacted], called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 10:40 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

Partially Declassified/Released on 7 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

DANIEL FINN, ESQ.

On behalf of the House Select Committee to Investigate Covert Arms Transactions with Iran:

ROBERT A. BERMINGHAM, ESQ.

On behalf of the Central Intelligence Agency:

KATHLEEN A. McGINN, ESQ.
Assistant General Counsel
DAVID PEARLINE, ESQ.
Office of General Counsel
Central Intelligence Agency
Washington, D. C. 20505

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	EXAMINATION ON BEHALF OF	
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[redacted]		
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PROCEEDINGS

Whereupon, [redacted], called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. FINN:

Q Would you state your name for the record?

[redacted]

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Pages 5, 6 and 7

DENIED IN

TOTAL

UNCLASSIFIED

[redacted]

A [redacted]

Q I understand there were different days perhaps when you might have been present or [redacted] might have been present.

A That's correct. I worked during the weekdays and [redacted] would come out and work. For example, during this time frame [redacted] [redacted] both of us worked Monday through Friday. Sometimes we'd work through the weekend two weeks straight. The majority of the time, Monday to Friday. Both of us would return [redacted] for the rest of the weekend.

[redacted]

Q Were the contras receiving supply flights from other places [redacted] at the time that you arrived [redacted] [redacted]

A Okay. My understanding was different than what I saw, and I'll speak for what I saw. Humanitarian aid flights began to come in in, I believe it was, sometime around the March time frame. I am guessing at dates because it was a while back and, to be quite honest, [redacted] you lose track of time and dates.

Q By humanitarian flights do you mean flights supported by the NHAO program of the State Department?

A Correct, NHAO.

Q Prior to these humanitarian flights from NHAO appearing [redacted] were you aware of other resupply flights of any sort, humanitarian or non-humanitarian, that got to the contras [redacted]

A No, sir.

Q After the humanitarian flights began, were there also other non-NHAO flights arriving [redacted]

A When the private benefactors came on the scene there were occasions when they could fly in [redacted] with equipment on board the airplane, and that was rare. It wasn't anything I remember happening often, but they would come in with equipment on board the aircraft.

I do know that the majority of the equipment that they were bringing in was generally repair parts, supplies to keep the airplanes flying.

Q Was there a period which you had experience of prior to the appearance of the private benefactors when [redacted] was receiving resupply by air [redacted] let's say by FDN-chartered aircraft [redacted]

A No, sir. I don't remember this at all [redacted] Of course, I wasn't privy to everything they did at that time either. You have to understand I was new there [redacted]

Q To the best of your recollection, then, you did not provide any information [redacted] in the form of intelligence reports or other documentary materials or oral reports which would have suggested that supplies were being received by the contras [redacted] by air?

A No, sir, to the best of my recollection, no. This all began when the NHAO flights began to arrive.

Q I see. When, to the best of your recollection, did the private benefactor air crews and their activities begin to occur [redacted]

A Well, again I'm guessing at dates, but I think it was sometime around the March time frame, March '86.

Q And how did they make their appearance?

A They showed up. They flew in on a Caribou C-7 aircraft.

Q That's a C-7A Caribou?

A I'm not sure if it has the A or not. It's a C-7 Caribou. And I always meet every aircraft that comes [redacted] as a courtesy to the people on board. As I went up to the airplane I noticed something very unusual; Americans got off of it. And they came up to me and said we were told to come in here and to work with the FDN and that we're supposed to report to you to find out what we're supposed to do.

Q Were you surprised at that?

A I was shocked.

Q You had not heard any indication from anyone that such an aircraft or air crew would be arriving?

A I had no idea at all this aircraft was arriving. So I immediately contacted [redacted] to find out who these people were, where they were from.

Q You mean [redacted]

A Yes, [redacted] to find out who they were and what they were supposed to be doing, what they were authorized to do as far as resupply drops. They did tell me they were going to be resupplying, if I was going to interact with them in any way. And the answer I was given at the time was, geez, we don't know; we're going to have to find out.

Q You just said that they told you that they would be resupplying or conducting some resupply activities. By "they" you mean the air crew?

A The air crew, yes, sir. They were down to fly resupply missions.

Q Did you ask them who had told them that they should report to you?

A Yes, sir.

Q What was their answer to that?

A They didn't know. These people didn't know who they were employed by, where they were, from what source they were being paid, who was directing their operations. They only thing they knew was they left [redacted] and went to [redacted] which eventually led to numerous problems for them. One, pay problems; they didn't even have anybody to report to, that their employer was delinquent by a couple of months making their pay. There were things they needed for their aircraft that they couldn't get as far as parts, supplies, emergency equipment.

And, you know, they would ask me how could they get that stuff, and I'd say, geez, you know, I don't know. I don't even know who you guys are.

Q Did they describe at all the arrangements that they experienced in [redacted] or, let's say, around the

[redacted]

A No. I have always maintained, and I still do, [redacted] that what they do is their business and what I do is my business. If I don't ask them questions, generally they won't ask me questions about my work. [redacted] they understood the relationship [redacted] and that they don't care to discuss the nature of their work.

Q Did you know any members or have any acquaintance with any members of the first crew that arrived?

A I didn't know anybody personally. [redacted]

Q Did you ask them their names when you met them?

A Oh, yes, sir. I knew all their names.

Q Do you recall now what the names of the first crew that arrived were?

A No, sir. I sure don't. There were so many crews that came in there it would have been, unless I kept a diary, impossible to keep up with it. I think the first captain that came in was [redacted]. And I believe the first kicker that came in was a gentleman named [redacted]. And I cannot remember who the co-pilot was, but I believe the mechanic's name was [redacted].

These aircraft would come in on Monday to [redacted] and depart on Friday, as a general rule, unless there was some mechanical problem requiring them to stay over.

Q So when these guys appeared and told this story about how they were supposed to interact with you and you called [redacted]

A [redacted] I did call in. [redacted]

Q So you called back who first, [redacted]

A [redacted] But the bottom line of the whole thing was they didn't know who these people were, who they were working for, who they represented or anything.

So they, [redacted] sent a message [redacted] to headquarters requesting everything that we knew about these people and how I was supposed to interact with them. It was a lengthy period of time before we got a clear readout on who they were, and actually the readout never was definitive as to whether they were -- as to anything, because I don't believe, and this is speculation on my part, that the organization ever really got a firm handle on it. And that is, you know, just speculation.

[redacted] I was given instructions that I was supposed to treat them in the same manner that I was treating the FDN, and the reason for that is because they were, to my understanding, contracted to the FDN to work for them, and now by treating them the same way I treated the FDN [redacted] I could not plan operations for them.

[redacted] If they wanted intelligence, it had to be specifically requested and it was more or less a hands-off policy for these private benefactors, the same way I was dealing with the FDN.

Q Do you recall who gave you the instructions to treat this new air crew in the same manner as the FDN?

A No, sir.

Q Would you have ordinarily received such instructions [redacted]

A Yes, sir, of course.

Q And that would be [redacted]

A My instructions came from [redacted] But you have to understand these instructions pretty much were very limiting and that I had nothing I could do with the FDN either. I was not in a position to offer assistance to them in any way.

Q Except to the extent that you could share intelligence with them [redacted]

A That was my understanding. And, sir, to clarify that a bit, there was only one occasion in the entire time [redacted] there was only one occasion in which there was an exchange of intelligence, where I gave intelligence to them.

Q We can get to that. I guess what I'd like to find out is who would you go to to receive such operational guidance ordinarily [redacted] Would that be [redacted]

A I would call [redacted]

Q So you would deal with him directly pretty much on these kinds of things?

A [redacted] but I mean [redacted] was [redacted] and would answer these questions. And, to the best of my recollection, it was very limiting as to what I was to do with them, was basically a hands-off, don't mess with these people because we don't know what they're doing.

Q Well, a hands-off policy would be different from a policy that you have just described, wouldn't it?

A Well, okay. Let me back up a little bit. I don't remember them saying you can give them intelligence, and I doubt seriously anybody ever told me that. But the policy was following was to treat them in the same manner as I treated the FDN.

Now, you know, that takes an interpretation on my part. If I'm treating them the same way I'm treating the FDN [redacted] I therefore would be put into the same situation with the private benefactors.

Q Did you feel any discomfort about the nature of your instructions versus the situation that existed at [redacted]

A At the time when the private benefactors arrived on the scene [redacted] I was tickled to death to see anything happen to benefit the contras at that time. These people were like saviors coming down as far as I was concerned.

You see, at this point in time we can look back on this subject and see that this group maybe wasn't sponsored by the U.S. Government. To me it would bring this group to my attention a lot more than it would back then. It was just another group of pilots. You know, if these guys had come in there and they were Chinese, I would have felt the same way and I would have treated them the same way.

It didn't matter to me that there was another group coming in. All I saw is there was an airplane and a crew that had arrived and they were going to become part of the FDN resupply operation.

Q Do you believe you provided sufficient information back to [redacted] that [redacted] would understand that you would potentially share intelligence information, that you would have contacts with these guys and have discussions with them?

A I don't think that it was anything that was ever thought about. It was a very insignificant thing, other than there was an airplane and pilots there. At that time there was no reason to suspect that this group was funded by somebody else. You know, at the time my first assumption was well, these guys are probably working for us and I just haven't been told about it. And that's what I wanted to find out.

My initial question to [redacted] was are they Agency employees. And [redacted] didn't know and [redacted] [redacted] didn't know. It required headquarters communication.

Q You said ultimately you came to believe that they were contractors for the FDN.

A Yes. I always believed that they were working directly for the FDN.

Q And how did you arrive at that conclusion?

A Because they didn't know who they were and they were working for the FDN. They were working directly for the FDN. [redacted] Now I figured since these guys said that they were sent from [redacted] maybe it was something that was arranged between [redacted] and [redacted] over there to send this group over to assist in the operations. And I thought more for the better.

Q Did you have any reason to think that these individuals, this air crew, was associated with the NHAO program?

A Negative. I never thought that there was any connection whatsoever. For one, the aircraft that the private benefactors were flying were antiques and in probably about the worst machanical shape you could ever expect an aircraft to fly in. The NHAO flights that came down were in beautiful, brand new L-100 aircraft, the most beautifully painted things. I mean, you could see there was a difference between the two.

At no time did they ever indicate to me that there was a connection between the two. But there was one point, and at the time I did not even put a lot of thought into it, but I do remember the Caribou crew being on the ground and one of the NHAO flights being on the ground. If I remember correctly, it was a Southern Air Transport. And the two crews got together and they were talking while the plane was being offloaded.

Well, I didn't know if that indicated that they were part of one another. But this was later on in the program. And, if I remember correctly, they were talking about an operation that they were going to do [redacted] and I inferred from that conversation it would be with the L-100, if I remember correctly. And this is -- I have a difficult time placing dates on what happened, but I think that was the same time that this plane loaded a load of cargo and departed [redacted]

Q This plane being the L-100?

A The L-100. And it's the only time that I think that I remember any material ever being backhauled [redacted] on these flights.

Q And did that include lethal material at that time?

A Sir, I don't know what went on the aircraft. Now I file an intel report on all items that come into [redacted] and all items that depart [redacted] so it's a matter of record somewhere.

Q On that subject, the reports that you would file about primarily the stuff that was coming in, I believe there was a period in which NHAO flights were not permitted to come in directly from CONUS, from the United States [redacted] using the L-100s or other aircraft. Do you recall such a period?

A That information wouldn't get to me. I mean, when the L-100s would arrive and I heard the engines reversing I knew the aircraft was [redacted]

Q Let me ask it this way. Was there a period in which humanitarian supplies and possibly other supplies were coming in [redacted] not on L-100s but on other shorter-range aircraft?

A The only aircraft that I remember coming [redacted] [redacted] were L-100s. There were two companies that transported this -- Southern Air Transport out of Miami and Mark Air Transport out of Alaska. I never remember any other aircraft in the entire time [redacted] to bring in supplies [redacted]

Q So you don't recall the C-7s being used to bring supplies [redacted] at all?

A No, sir. I've already mentioned that there were times when they came [redacted] and I'm sorry I assumed you meant that they were separate from what we're talking about. No. The C-7s occasionally would bring in equipment [redacted]

Q Okay. And was it your understanding that some of the supplies that were coming in [redacted] on the C-7s were NHAO-provided supplies?

A No, sir. I never had any idea where they were from. I didn't know if it was something provided by [redacted] [redacted] or who. It wasn't anything I knew about.

Q So your knowledge was confined to knowing that certain supplies had arrived and whereupon you would file a report?

A That was it exactly.

Q You never discussed with anyone what the nature of those supplies was in the sense of who had provided them?

A Throughout -- well, the nature of the UNO/FDN logistics system is set up such that we are a receiving point and a delivery point. The level of logistics in the FDN is low enough that they are not privy to the information of where articles come from or who pays for it. So [redacted] when a cargo would arrive it was offloaded from the aircraft. It would be inventoried. A manifest would be made of the items that came in, and it would be sent to [redacted] their headquarters, where the record is maintained.

Now those people, I'm sure, had some idea of where it came from and the customer and all that.

[redacted]

Q When did the second C-7 appear on the scene?

A Okay. If I recall correctly, the second one came in about -- it was just a matter of a couple of weeks after the first one. But when the second one came in the first one was no longer there. The only reason I knew it was a different aircraft was because it was painted different.

Then a couple weeks later, or a month -- I'm not even sure -- they painted the tan aircraft the same color as the other one -- camouflage. And at that point I never had any idea which aircraft was which aircraft. It really didn't make any difference to me which aircraft was there. Only one aircraft operated [redacted] at a time.

[redacted]

Q What was your understanding concerning what these aircraft were doing for the FDN?

A Okay. The aircraft crew didn't even understand what they were authorized to do. They wanted to fly missions inside of Nicaragua, but they didn't know if they could. They didn't know the legality of the thing, if they were going to be authorized to, and they kept looking to me to find out if I was going to give them the go-ahead to do something like that, which of course I never did because I never knew.

But they didn't know where their orders were going to come from, which they finally did receive orders from somewhere that you will begin to fly missions inside.

[redacted] I was able to collect [redacted] on each flight and destination of each flight -- so, in other words, weight, tonnage, and individual items -- and also the commandante and regional commander it was being delivered to.

Q So this was obviously a fairly good [redacted] [redacted] on the exact nature of the supplies that were reaching the contras in the field?

A Yes, sir, exactly.

Q Did these reports indicate from the beginning that lethal as well as non-lethal supplies were on board the resupply aircraft, or did it start non-lethal and then contain lethal later?

A There has never been to me a clearcut description of what is lethal and what is non-lethal. I view a uniform in the same manner I view a holster or anything else that a soldier uses in the line of his duties. But I will just finish up on this. The drops made inside for the most part were lethal.

Q By lethal you mean contained arms and ammunition as well as other things?

A Arms primarily. At that time it was arms, ammunition, and clothing -- boots and uniforms. And throughout all of the UNO/FDN resupply missions, even up to this point, there was very little food ever supplied to the FDN inside, or UNO.

Q So you said the first C-7 Caribou arrived sometime in March.

A To the best of my recollection.

Q The second one a few weeks later?

A Yes.

Q Then there was a period of uncertainty when the crews didn't even themselves seem to know what their mission was when they showed up [redacted]

A That's correct. And during that time frame when they didn't know, they were running regular flights, three to four flights a day, to do resupply [redacted] They made -- I don't remember the numbers. It was a lot less, I'd say, less than a half dozen flights [redacted] probably three flights to [redacted] and that was primarily to deliver -- I remember a couple of flights where they delivered lumber for their hospital provided by the NHAO.

Q How much time went by before the crews actually, if they appeared in March, approximately when did they start doing flights inside Nicaragua [redacted] [redacted]

A It seemed to me it was a month and a half, a month, two months. And again I'm trying to recall from a period of time which I'm not able to remember dates.

Q During the period in which they were only making drops along [redacted] was there also lethal supplies in the sense of arms and ammunition on board, or did that phase in? Did they start humanitarian and then go lethal?

A Okay. At the time there was not much being sent int[redacted] in a real lethal sense of arms and ammunition. The majority of the equipment being delivered in both places, to the best of my recollection, the equipment was uniforms, boots and [redacted] where the majority of all the flights were, food. There were a lot of people to support there and I would say the greatest bulk of all cargo dropped [redacted] was food.

Q But, on the other hand, once the flights started going into Nicaragua you think that pretty much from the beginning they contained arms and ammunition?

A Arms and ammunition. It was primarily lethal. It made sense, you know. You give the arms and ammunition to the people that need it the most and the number one priority is for the soldier inside.

Q Now when did the C-123 aircraft first make their appearance?

A Okay. He came in one time that I remember, and I can't even begin to guess when it was, but it was during the time that they were doing their runs, their preliminary deliveries. But after the Hasenfus aircraft was shot down the other one returned [redacted]

Q When did the C-123, let's say, first become visible to you or apparent to you?

A It was probably around May or June, and I'm guessing again, sir. I'm sorry.

Q When did you become aware of the fact that there were two C-123 aircraft?

A I never did.

Q Until you saw one after the other one had been shot down?

A Correct. I did hear that there was more than one, but it never became obvious to me. That aircraft landed one time [redacted] and went back [redacted] and I don't remember the aircraft even doing an operation while it was there.

Q The 123?

A Yes. It came in and, if I remember correctly, had engine problems and had to return.

Q So to the best of your knowledge the only drops inside of Nicaragua, with the exception of the one that we all know about that went down, were made by the C-7s?

A [redacted] The drops made inside of Nicaragua were made with the Caribous and that was it, to the best of my knowledge.

Q You said that you didn't connect the private benefactor flights with NHAO.

A Correct.

Q An individual who you are probably familiar with, Ian Crawford, testified to us and makes reference in his testimony to something that occurred I believe in approximately May of last year. Let me read this to you since we don't have additional copies of it.

A C-123 lands [redacted] apparently. The air crew consists of the pilot, Cooper, and other individuals. Apparently they are having a barbecue at [redacted] which is probably one of the basic ways to eat there, and Crawford says the following. He says: "During the barbecue from around the corner of the barracks an entourage of about eight or ten people. They seemed to be Americans. They walked directly up to us. There was a very distinguished-looking gentleman in the middle." He goes on: "This man comes out. He introduced himself as Ambassador Deumling from the U.S. State Department."

Do you recall an episode in which Deumling approached these crews when they were on the ground at [redacted]

A No, sir.

Q According to this account by Crawford, Deumling stated "are you the flight crew flying that aircraft out there?" And they, the crew responded, yes, we are the flight crew. And Deumling goes on like that and says, "are you the flight crew to that bird? I need to know, because if you are with that bird and if Dick Gadd, if you work for Dick Gadd, you can talk to me."

And then Crawford continues: "Well, in this group of other people standing around [redacted] and [redacted] were there, and they are both nodding their heads and winking to us like tell them anything you want." Do you recall this episode?

A No, sir. There was a time when Ambassador Deumling did come down, but I never remember -- I don't remember that situation.

Q You don't remember encouraging the air crews to speak to Deumling?

A No. I wouldn't go winking my eyes at somebody to tell them to talk to someone else, no, sir. If I wanted someone to talk to someone else for any reason, I would tell them you can talk to this individual.

Q Well, I can certainly appreciate that.

A And also, sir, I'm not in a position to tell an Ambassador who to talk to and not talk to.

Q What I'm getting at here is according to Crawford's account you and [redacted] were present at a situation which seemed to tie these people together with NHAO and Crawford apparently believed that yourself and your colleagues were somehow aware of a possible relationship between their operation and Deumling's program. Is that incorrect, that you were not aware of it and you don't recall such an incident having occurred?

A I don't remember this incident, and I know for a fact that at the time that those people were there, especially when the 123 was there or all through the private benefactor time, maybe it was that I wasn't smart enough to see it, but I just never even thought about there being a connection between the private benefactors and the NHAO group, because, like I said, they were two different type of aircraft, two different complete set of personalities between the crews.

And also the fact that the NHAO flights were coming in and departing right away. They didn't do any work for us. They were delivering cargo, which I was told in advance I'd be receiving. And that was it.

Q So you do recall a visit by Deumling during this period?

A Yes, sir. I do recall a visit from Deumling, but I do not ever remember this encounter, and I can assure you that I don't remember any winking of eyes or acknowledging of this stuff.

Q I am sure there is probably some embroidering here, but what I was getting at is whether you had, let's say, any reason to have any knowledge about the connection of these activities with the NHAO program.

A No, sir. It was something that just never -- I mean, it wasn't anything. There was nothing to cause me to try to put these two together.

Q What was your understanding of your duties, let's say with respect to the NHAO program? Was your charter simply to collect intelligence on the supplies [redacted] or were you also, let's say, briefed on the NHAO program and told to perform activities that would help the CIA and other agencies monitor the NHAO program?

A The only thing that I was doing out there with the NHAO flights [redacted] This was humanitarian aid, and I just treated all of it the same. When the flights came in, I'd go out there. I'd meet the crew. I'd watch the people offload it. They would do their inventory of the equipment that came in. [redacted] I would [redacted] do an intel report.

Outside of that, there was no other work-related connection with this organization at all. I mean, they were very nice people, just like the private benefactors were very nice people. But there wasn't anything else I could do except report what they had brought in.

Q Now Crawford also states, concerning this episode with Ambassador Deumling -- and I'll have to correct the date on that. Apparently Crawford stated that that was on or about April 16 of '86.

A I can't remember the date, even if it was, because I don't remember when the Ambassador was there.

Q I just wanted to just give you the date which

Crawford uses. And apparently at that time the air crew had explosives on board the aircraft when Deumling approached. Do you recall that?

A On the 123?

Q Well, let me take that back. It may have been a C-7. I must say it's not clear from this account whether it's a C-7 or 123. The 123 is there, and I'm not sure which aircraft he's referring to in his account. But anyway the issue seemed to be, the problem seemed to be that this particular crew was ferrying explosives and there seemed to be some concern that that would be revealed to Deumling.

Does that assist your recollection?

A No, sir. I'm sorry.

Q So you don't recall reporting on that or discussing it with anyone outside [redacted]

A No, sir.

Q Do you recall more about the delegation, let's say, the group that was with Deumling? Crawford said there were six or seven individuals. Do you recall who they might have been?

A No, sir, I don't. At the time we had delegation upon delegation of Congressmen and staffers coming down and, I mean, after a while, you know, the names of Congressmen really started blending all together, so it would be impossible for me to pick this one out. And, you know, if Crawford said he saw a group of people walking like that, quite possibly he did.

Q Crawford also says that the following day, which he says was approximately April 17 of 1986 that you claimed to have received a message [redacted] that the aircraft was supposed to depart [redacted] immediately and apparently, it's not quite clear from his testimony here, but that you might have thrown some things on a rack and told them they had to get out of there immediately.

Do you recall anything along those lines?

A No, sir. [redacted] I never gave orders to these aircraft. They didn't work for me. I couldn't order them out of that base to begin with. At the time, [redacted] I didn't have the authorization to tell anybody to move. [redacted] maintains that authorization even today.

Q Let me read you this and let me have your comment on whether this is accurate or not. Crawford states the following: "The following day, the 17th of April '86, we are waiting to go [redacted] and load the plane. It gets to be about lunchtime and I laid down for a nap. Everybody else is in the mess hall and [redacted] comes up to me and wakes me up and he is anxious and nervous and he says, you have to get out of here, you and that bird has to get out of here."

I guess your grammar wasn't too good that day.

(Laughter.)

"I'm questioning him why, you know, we have to get out, and he won't tell me." Do you recall this incident?

A No, sir. I do recall that airplane being told to leave, but it did not go through our channels. First of all, Ian Crawford has said a number of things [redacted] that tend to glorify whatever's happening or to make his position look like he was in a position to make a decision on whether a plane would stay or leave or what was authorized to move on it.

Ian Crawford was a kicker on this airplane. It's an important job on the airplane, but the captain of the aircraft makes all these decisions. Now I don't remember if it was Ambassador Deumling that came in on this particular day, but I do remember an entourage of people, Congressional staffers or whatever they were -- it could have been Deumling -- walking with me past [redacted] but I'm not sure if there was [redacted] and I do remember seeing the C-123 over in the corner.

I had just come on base. And as we walked past it [redacted] were discussing what this airplane was. Now that airplane was ordered out of there.

Q This was in the period in question, let's say in April of '86?

A I would assume it was the same incident, but I do not know where those orders came from to move that thing, and I can assure you if I had received orders from wherever that this airplane had to get out [redacted] or whatever, I would have gone directly to the captain of the airplane. I would have never gone over and disturbed poor Ian Crawford from his sleep to beg him to leave.

Q Let me read you the rest of the story so you can comment on it, too. So Crawford continues: "We go to the mess hall. We get [redacted] Cooper and [redacted] over [redacted] These are apparently three other members of the crew -- [redacted] Cooper, and somebody named [redacted] -- who supposedly are at your place.

Then Crawford says: "He" -- and I believe he means you -- "is helping throw luggage up on the bunk so we can get going. [redacted] comes down and says what's going on. [redacted] says we have to leave." And he continues further: [redacted] comes out and says it has come over [redacted] It will come over the contra radio here in a little bit. You may as well load up because you guys got to get that aircraft out of here."

You don't recall anything like this?

A No, sir. No, sir. I wouldn't move any of their bags anyhow. I don't remember any of this ever occurring.

Q Do you remember somebody named [redacted]?

A No, sir, I don't remember [redacted].

MR. BERMINGHAM: I think he's a [redacted] mechanic.

THE WITNESS: I do remember a [redacted] mechanic, but I can't relate the name to him.

BY MR. FINN: (Resuming)

Q Not a Chinese?

A No. Sir, I'd like to point out at no point in this am I insinuating that Crawford is making these stories up. I don't ever remember any of that happening, though. Nothing. The only thing I do remember is walking past [redacted] and I do remember they had a concern over what that C-123 was doing out there, and I just know that the airplane departed the next day, and I assumed that a message came down from -- and this is an assumption -- that it came through normal channels, which would be [redacted] to the FDN, and then an FDN pass from there to [redacted] saying get it out of here.

Q But no one in your recollection, no one ever told you about that message or what the reason was for the message?

A To my recollection, no sir. I don't even remember this whole incident where I supposedly told them they had to leave.

Q Okay. To summarize on the aircraft, then, it was your understanding that the two C-7s were chartered by the FDN and initially made drops to [redacted] locations more or less [redacted] but subsequently began to make drops including lethal supplies into Nicaragua?

A They came there not knowing who they were, what they were. They started making drops [redacted] and after a period of time which I can't remember they started making them inside Nicaragua.

Q Who was directing them, as far as you could determine?

A They were working for [redacted] as far as

I was concerned.

Q So he was operationally in charge of the C-7s when they operated out [redacted]

A They pretty much had a general idea of what they were doing, but as far as the operation itself -- the drop zones where they would be going to, the coordinates, and the type of equipment that would be put on that aircraft for drop -- was all under the control of [redacted]

Q Did the FDN put any personnel on board the aircraft to help guide the aircraft or anything like that?

A FDN kickers would be used to go along with the aircraft and, if I'm not mistaken, they started to train FDN pilots to fly the Caribou. But it was terminated or stopped shortly thereafter because one of them made a comment to me they were afraid that maybe there are some Sandinistas amongst them and they would steal our aircraft. So they stopped training them altogether.

Q Now with respect to the 123s, let's say you knew there was one. You were aware there might be another, and to the best of your knowledge you were not aware that they did anything out [redacted] except pass through on at least one occasion and one time apparently fly [redacted] to [redacted]

A Yes, sir. That's it.

Q And what happened when the news of the Hasenfus shootdown occurred? Was there any activity relating to the 123s that you could observe or the C-7s?

A The day after or two days after, I forget -- it was shortly after -- Hasenfus went down, all of the remaining aircraft, I guess, that they had over there -- I don't know what they had, but all the aircraft that I had seen returned to [redacted] That was two Caribous and one C-123. And they were using a Maule -- it's a light, single-engine aircraft -- to transport pilots from [redacted] back [redacted] And they told me they were cleaning house and getting out of town.

Q One final thing on that. What was the ultimate disposition of the aircraft? Did some of them end up at [redacted]

A They all stayed there. They all remained there. The pilots and crews all left [redacted]

Since that time the C-123 was repaired. It was not flyable. Neither one of the Caribous were flyable after they landed. But they repaired the 123, flew it out. My understanding was it went to [redacted] They came in and repaired a Caribou. It flew out, went to [redacted] right now a Caribou sitting out on the ramp [redacted] and it's serving as a big paperweight. It's not good for anything. I mean, they can't get it flying. I don't know if anybody can.

Q Were you ever told where the crews that were evacuated by the Maule aircraft went in the sense of went immediately? Did they go [redacted]

A No. My understanding was they were returning [redacted]

Q And all the crews fit on one flight of the Maule?

A No, sir. It was shuttling.

Q A few more questions on the way these aircraft were used because a lot of this is about as clear to us as it was to you, I think. You knew they were being loaded by the FDN, especially now this is all the C-7s. Basically you knew they were being loaded by the FDN at [redacted] and making drops for the FDN. Were you also aware that they were coming in loaded with supplies from [redacted]

A I can't remember particular items coming in, but I do know that they brought in cargo [redacted] on occasion. See, the problem is they would land and I'd hear the Caribou coming in. And after they were there a couple times, you know, I didn't run down there to greet the airplane and say hi to the guys. I had other work to do. I knew they were on the base.

Q Did you get manifests of the aircraft if they arrived with cargo?

A Yes, sir. Cargo would come in. But, like I say, I can't remember what type of cargo it was.

Q Do you recall that most of the time they were coming in with cargo or did they deadhead most of the time?

A No, sir. I can't remember them coming in all the time with cargo, and I can't even speculate as to the percentage of time they came in with cargo.

Q So their primary mission, as far as you could determine, was the drops inside Nicaragua?

A Exactly.

Q Not shuttling [redacted]

A Drops inside [redacted] and Nicaragua. My impression of it was, and also from what they told me, was the only reason they went back [redacted] was because that's where they lived. They would fly during the week, return [redacted] on the weekend, enjoy a weekend off, and come back and start business again on Monday. And I never looked at it as though this was some kind of method to get a cargo into [redacted] because, for one thing, the Caribou doesn't carry that much cargo. It's a very light cargo aircraft.

Q And you are not aware of any great shuttle activity containing, let's say, NHAO or other non-lethal supplies?

A No, sir.

Q From [redacted] using C-7s or any other aircraft?

A No, sir.

Q And specifically you are not aware of any shuttling activity involving [redacted]?

A None. I don't remember [redacted] being used for anything like that. Now you have to understand there are times when I'm not there, and that is a possibility, but I do not personally remember any [redacted] flights shuttling equipment [redacted]

Q Well, thanks for that summary of the air thing. Why don't we move on to some of the celebrated events?

Did you recognize Crawford when he first made his appearance on scene?

A Did I recognize him?

Q Did you know Crawford?

A No, sir.

Q When did Crawford first appear?

A I don't remember the date but from what he is saying there it sounds like he arrived there sometime early in the project. I don't remember. Like I stated before, there were numerous crews that came in, and I can't place one crew at a particular time.

Q Now, as you are, I am sure, well aware, Crawford alleges that sometime in May of '86 you permitted him to get on board a CIA helicopter that was making a flight of some kind either inside Nicaragua or at least to the border area.

A Okay. He claimed that the helicopter went inside of Nicaragua [redacted] on the Nicaraguan side of the border. I did authorize him to fly into there. His request was could I fly on board the helicopter so that I can see what the area looks like on the ground that we are dropping to three or four times a day. They were flying and dropping on [redacted]

The purpose of the flight [redacted] was for me to go in there [redacted]

[redacted] I went in there specifically for that purpose.

When I got to the helicopter to go in there, I mean -- let me back up just a little bit. The situation [redacted] there was very dangerous. The MI-25s were patrolling [redacted] which required a lot of coordination with ground forces there, [redacted] to determine if it was all right.

My concern was not what was on board that helicopter when I got to it. My concern was to get that airplane in as fast as I could, that helicopter as fast as possible [redacted] spend as little time on the ground, jump out of the helicopter and let that helicopter return to a safe location because a [redacted] helicopter is child's play for an MI-25.

And [redacted] the Sandinistas would shoot down a helicopter [redacted] given the opportunity to do so.

Q To where did helicopters, CIA helicopters operating out [redacted] make trips?

A Where did they make trips?

Q Right, to what locations.

A Okay. Generally helicopters made trips to [redacted] from other sites.

Q To [redacted]

A Let me explain it to you this way. A requirement would be established. A request would be made for an aircraft, and that aircraft would be scheduled for that day to do a job. If it was two hours, it was two hours; sometimes it turned into four hours or six hours. But an aircraft was scheduled to do work for, generally, a particular base for the day. At my base I was more like a transit point where a helicopter would pass. He would get fuel, cargo or whatever and move on to another one.

Q Or your base would be a destination for some reason?

A Of course.

Q Where would these other sites be between which the helicopter flights would occur [redacted] Would you exchange flights? You mentioned [redacted]

A There were approximately three flights into [redacted] and that was it. They ended after that -- out of [redacted]

Q During your entire time?

A In my entire time [redacted]

Q What were the purpose of the flights [redacted]

A All of them were to gather intelligence [redacted] [redacted] and in each instance intel reports were written.

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Pages 50 and 51

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[redacted]

Q Now you acknowledge that you permitted Crawford to get on board this flight [redacted]

A Yes.

Q Were you on that flight yourself on the helicopter?

A Yes, sir.

Q Where were you located? Were you in the copilot's seat or were you in the back with everyone else?

A I can't remember. I'm sure I was in the back. You know, I feel certain I was in the back because for any flight that would be considered dangerous you have a pilot and a copilot, and I do remember a pilot and copilot on it. I had to be in the back.

Q Do you now recall observing on that flight, to the extent you can recall a particular helicopter flight, that there were containers or, let's say, crates that appeared to be the type that would be suitable for lethal material?

A I saw crates which -- it's a standard type of box, wooden container -- that would contain ammo or something like that, yes, sir.

Q Do you recall them being labeled clearly as containing explosives?

A No, sir.

Q How large were these crates? On the assumption that they contained explosives, could that be in the area of 200 to 300 pounds worth of explosives?

A Sir, I can't even remember what type of box it was. You know, I do vaguely remember wooden boxes being on board the aircraft, and to me it was no concern, you know, whether it was hand grenades or C-4 or small arms ammunition or what. I can't even remember the configuration of the box. But when this helicopter would land, the doors would sling open even before it touched the ground and as soon as it started getting low you started pitching stuff out, because we didn't want to spend any time there.

Ian Crawford jumped out of the helicopter to help throw the stuff, jumped back on, and he went back with the helicopter.

Q And you stayed?

A I stayed.

Q How often would you go on helicopter flights [redacted] to one of these other locations?

A I went three times. To my recollection, it was two or three times.

Q In all the time you've been there?

A In all the time I've been there.

[redacted]

Q So what you meant was you went [redacted] perhaps twice or three times?

A Yes, sir.

[redacted]

Q Now on this particular flight where Crawford was on board, do you recall that there was these boxes that were suitable for lethal material?

A Correct.

Q Were similar boxes on other flights that you were on board?

A No, sir. I don't even know that we took anything in on other flights. If we did take something I'm sure it was food substance because the people were starving. I mean, that was more important than anything.

Q Was it your practice to ride in the passenger area of the helicopter for the most part?

A When going [redacted] yes, sir, because we would use a pilot and a copilot on the helicopter.

Q What about the other areas? [redacted] would you sit in the copilot's seat or in the passenger area?

A Well, if there was nobody else in the helicopter I'd jump up in the copilot's seat.

Q Let's say what proportion of the time would you ride in the passenger part versus in the crew area?

A I would be guessing, sir. I don't know. The only time I ever would jump up in the copilot's seat, like I said, is if it was vacant, because I know basically how to fly the helicopter and it would be for safety reasons.

Q We know of exactly one helicopter flight and we know that that flight contained explosives. I guess what I'm asking you is are there a lot of other flights that you had direct experience of, and what I'm asking you is how many of those flights contained explosives or, let's say, other items that appeared to be lethal?

A Okay. To the best of my recollection, the one flight [redacted] was the only one with the boxes, and, like I say, I have no idea what was in the boxes. But, you know, I've never seen an instance where ammunition was taken out of a box and something else put in it. So I assume it was ammunition of some sort. That was the only one I never knew of, [redacted]

There were other flights [redacted] carrying lethal aid, if that's what you are asking me.

Q Yes, thank you. What kind of lethal aid would that be?

A Arms and ammunition, boots, uniforms.

Q What quantity of arms and ammunition would there be?

A Well, the most you could put on a helicopter would be 3,000 pounds. Most pilots never want to go over 2,000 to 2,500 pounds. I only had one pilot that I knew of that would even consider putting 3,000 pounds in his helicopter.

Q Are you saying that you are aware of numerous flights [redacted]

A I'd say various.

Q Various flights, okay, [redacted] in which the helicopter contained, let's say, from a ton to a ton and a half of what appeared to be lethal equipment?

A Yes, sir.

Q And what was the nature of the lethal

equipment that was carried?

A The nature? You mean item identity?

Q I mean you said only on this one occasion [redacted] [redacted] do you recall the boxes that may have contained explosives or anything.

A Sure.

Q What was the usual type of lethal equipment that you would observe?

A There was no usual. It was just whatever the FDN needed to move.

Q Were there boxes of ammunition?

A I'm sure there were boxes of ammunition, weapons.

Q Crates of weapons?

A Sure, or mortar rounds, mortar ammunition.

Q What was unique about these boxes that were on the [redacted] helicopter that makes them different from the boxes that you would use for the mortars?

A All ammunition boxes are constructed in the same manner, the same basic form. It's just they are different sizes. So there is no basic difference.

Q So on various flights there were boxes that would be suitable for lethal equipment?

A Yes, sir.

Q Were you ever given any instructions

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concerning how to treat that sort of equipment as far as the CIA's helicopters were concerned?

A You mean as authority to do it?

Q No, whether you were supposed to inspect cargo to see that the Agency's assets are not used for transporting lethal or whether you were to supposed to either accept it or not accept it if the contras put it on board? Was there any policy about that?

A Yes, there was. Of course there was, but I'm not sure I understand your question exactly.

Q Well, what were your instructions concerning how lethal equipment should be treated in the event the contras proposed to put some on board a CIA helicopter?

A Okay. It was my understanding that movement of lethal material was against the law.

Q Well, how did you rationalize that understanding with what actually happened?

A Just from what I had heard about the restrictions. [redacted]

Q Well, if it was your understanding that was against the law, then why did you permit, when you observed this equipment in the hold of the helicopter, why did you permit it to remain there?

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A Okay. The initial movement of this equipment, to the best of my recollection, started during the incursion, the first incursion, and my understanding is the movement of it was initiated by a request from [redacted] to [redacted] to get the equipment from point A to point B, which generally is [redacted] It came to my attention right away, and it did to a number of other people in the project who were also concerned about this, and it was brought up with the boss, [redacted] in a staff meeting.

Q Do you recall when that meeting occurred?

A No, sir, I certainly don't. And it wasn't just talked about on one occasion. It's been discussed on various occasions. Anyhow, I asked at the end of the staff meeting, while everybody was still there, or I basically mentioned that I thought we were violating the law in moving this equipment by project aircraft, and I felt that the day was going to come when an investigation was going to run on this stuff and we would have to answer questions about it.

Q How true. What was the response to that?

A The response was the FDN will not survive until lethal aid is approved unless they are assisted.

Q Was that [redacted] response?

A Yes, sir, and that we would continue to move the equipment.

Q Did [redacted] ever indicate to you that he had discussed that policy or his decision with anyone higher up in the organization?

A No, sir.

Q Given your feelings about the possible illegality involved in this and the risks of becoming involved in this kind of thing for the Agency and for yourself personally and everyone involved, did you try to take this yourself to a higher level? Did you go to [redacted] [redacted] or anyone else?

A No, sir.

(A brief recess was taken.)

MS. MC GINN: Let me clarify that I believe the witness was speaking about whether he did anything at that time that the incidents were occurring.

THE WITNESS: That's correct.

MR. FINN: Thank you. That was the intent of the question from the context. But obviously subsequently you did and we recognize that. So the question was only intended to address that, let's say, at the time at which you raised that issue originally.

BY MR. FINN: (Resuming)

Q You mentioned previously that [redacted] told you that there reason that the Agency assets would be used to support these materiel deliveries was that the FDN would not survive until support was obtained again from the United States Government. Did you pursue the issue with him, or did he state where that decision came from?

A I can just recite to you exactly or rehash with you exactly what happened at the meeting. The normal business of the meeting was terminated and we take turns going around the room with each one of us saying whatever we have about either our operation or any problems we have. At that time I brought up the question of the legality of our moving materiel, not just lethal aid but material in project helicopters for the FDN or the Kisan [redacted], and stated that I thought that the movement of these materials was illegal.

And that's when he said that he felt that the FDN would not survive until the point at which they could obtain lethal aid or assistance from us and that we would continue to move this equipment as we had been doing. That's when I mentioned that I thought that if we weren't very careful with this we were going to end up in the middle of an investigation at some point in time. And it ended right there.

Now I operate always under the assumption that my supervisor knows much more than I know and is privy to information that I'm not privy to. I receive orders to do a job; I do the job regardless.

Q Was that only an assumption on your part or did you have some reason to believe that [redacted] decision and policy that the CIA helicopters would continue to be used to facilitate these deliveries, that this was a decision which had been consulted at a higher level and which he was in effect relaying to you?

A Okay. You are asking me for an opinion and that's exactly what this is. My opinion was that it was only [redacted] doing this and it was not consulted with anybody else.

Q And you are not aware of any evidence that there was a higher level approval for it?

A Never. Never at any time.

Q Have you gone over these matters subsequently with [redacted]

A Yes, sir.

Q Is it still, based on the subsequent discussions with him, has he told you again now that it was his decision?

A No, sir.

Q Has he indicated otherwise?

A Yes, sir.

Q What is he saying now concerning how that decision was made?

A Okay. It must have been around the March time frame.

Q You mean March of this year?

A That's right. I was called in [redacted] to discuss the investigations which would be coming up and primarily to find out about the ~~Ian~~ Eain Crawford incident where he claimed that I went [redacted] with him, and I mentioned the fact or he was curious to know if there were lethal materials on board that aircraft at that time. At the time I told [redacted] that I thought that my recollection was not very clear and that if Ian Crawford had in fact stated that he had been on board a helicopter with me, then chances are he was, and also that if he claimed there was lethal material on board the helicopter the chances are that there were, that I had no reason to ever doubt this individual.

At that point [redacted] wanted to know what I was doing moving lethal material, and, you know, to me it was a surprise. So I just said, well, you knew good and well that we were moving lethal material, and he didn't. And I requested a third party at that point because I didn't enjoy being put in that position. I wanted everything in the future with the investigations coming up to be remembered, and I wanted a third party to be able to handle that.

We then went to [redacted] office, [redacted] office, because we felt that a problem was at hand. At that point we went in[redacted] office. It was just [redacted] myself. And after talking about a few other things we got on the subject of movement of lethal material, which [redacted] denied he ever gave authorization for us to do in the staff meeting.

By the time the meeting had terminated, [redacted] had admitted to authorizing movement in particular instances for movement of lethal material and it was basically during the times of the incursions, the two incursions.

Q Did [redacted] give you any reason to believe that [redacted] was following [redacted] policy?

A [redacted] never said anything, but I feel with all my heart, just from the expression on the man's face and his attitude toward the whole thing, that this was the first time [redacted] had ever heard anything about movement of any type of material in our helicopter for the FDN or ~~[illegible]~~ Kisan or UNO.

Q [redacted] Clair George made a trip to Central America and visited [redacted] [redacted] Were you present [redacted] when Clair George visited?

A Yes, sir, [redacted]

Q Did you discuss with Clair George when you were there this whole story about Crawford and the lethal supplies?

A He asked me if I took him down there. He said, did you really take this guy down there with you.

Q Before we continue, where did he ask you this --

A [redacted] He said, did you really take this guy down there with you? And I said, I'm not sure, sir. I said, but if he claims to have ridden in a helicopter with me down there I have no reason to doubt the man.

Q Did Clair George also ask you about the lethal supplies on board the helicopter?

A Yes, sir. Let me back up. I told Clair George also I don't believe, I don't remember this guy going down there, and I said I don't remember ammunition or any lethal material being on the helicopter. That's exactly what I told Clair George. But I said there is a chance, if that man said that he did it, I have no reason to doubt him. And, like I said, this thing was mentioned with the lethal material. I could not remember that well at the time.

Q So if you told Clair George that you had no reason to dispute Crawford's recollection, then certainly Clair George must have become aware that Agency helicopters were being used, were being permitted to fly lethal material?

A No, sir. I think by my answer I left sufficient doubt that it's quite possible, equally as possible, that nothing was ever moved. You see, he asked me did you really move this guy down there, and it's difficult for me to reconstruct this exactly as it was said, sir, but I believe I said that I don't remember this guy going down. I don't remember the movement of lethal materials, but if he said he did it, then I have no reason to doubt him.

So it left enough doubt there. You know, I didn't know what I was talking about at the time.

Q Who else was present when you spoke to Clair George?

A [redacted] I think [redacted] was probably out of earshot. [redacted] heard it. And I can't remember if [redacted] was there or not. Yes, he was. [redacted] was there, but I think he was off on the side talking to [redacted] when that question was presented to me.

Q Do you have any reason to believe that [redacted] Clair George, [redacted] and [redacted] or any combination of these people discussed this issue any further during that trip either [redacted]

A That would be entirely speculation on my part.

Q Let me ask you. I understand that you were interviewed previously [redacted] by Bob and Tom Polgar of our staff.

A Yes.

Q When did you decide to change the story and for what reason?

MS. MC GINN: Object to the question.

BY MR. FINN: (Resuming)

Q Have you changed your story on this?

A The story was changed, yes, sir.

Q Can you tell me why?

A Okay. I didn't have the benefit [redacted] [redacted] that people have back here and I had just basically heard that I ran a mission into Nicaragua with ammunition and Ian Crawford on board the helicopter. To me that really didn't come across as any truth to me because I know for a fact I had never been inside of Nicaragua at any point in my job.

Q Let me ask you a small question about that. Were there ever any situations in which the helicopters, for one reason or another, might have put down on the Nicaraguan side [redacted]?

A I know of none in the entire time I have been there or before my time there -- never.

Okay. Now when I arrived here in Washington I had seen an account [redacted], but it never jogged my memory as this one did. It discussed Ian Crawford talking to me about wanting to go [redacted] and at that point I did remember clearly that Ian Crawford talked to me. He mentioned to me at the time he was bored, the airplane was down, and that he would like very much to fly into the area that they were doing their daily drops on to see what it was like on the ground level.

I know as a kicker you always have a different perspective from the air than you do on the ground, and I thought there was no problem with it. I had to go in there anyhow. The trip was not arranged for the purpose of him going in there, that's for certain. [redacted]

Q Now let's say your superiors in the Agency, at least [redacted] to your knowledge, became aware that the Agency's helicopters were, let's say, on various occasions being used to assist the supply of lethal equipment to contra locations along the border. [redacted]ll the individuals who were interviewed in the CIA, and certainly yourself, had not put this story together. Were you under any instructions by anyone in the CIA to withhold this story prior to your telling it, to withhold it from investigators prior to your telling it now?

A No, sir.

Q Or prior to your telling it, let's say, last week to Tom Polgar?

A No, sir. It never was. Nobody ever told me to withhold this information. The truth of the matter is, many times I was tempted to go speak with [redacted] and discuss this matter with him, but I didn't because in our organization you have a respect for your leader. You don't question him, and it's absolutely not kosher to go above your boss to his supervisor to tell him what your boss is doing. My feelings at the time were I'm not being paid an SIS salary and that's not my point, to make decisions like that. I'm doing my job as I'm instructed to do my job, and if there is -- well, that's it. Basically that's it.

But let me emphasize that I don't even know from what you just said a second ago that [redacted] or [redacted] or Clair George had any knowledge of this [redacted]

Q Well, I believe if we go back to what you said you'd have to assume that [redacted] had that knowledge because you had discussed it with him at his office.

A Yes, sir. Let me put it up to that point of the meeting, and then I don't know at all whether that was even passed on higher than that.

Q Now apparently you were interviewed by the CIA's Inspector General concerning the story you are giving us now.

A Yes, sir.

Q Did you contact the Inspector General with additional information or did their office contact you with a request for additional information?

A I have never requested a meeting with anybody.

Q Did the Inspector General inform you why they were having an additional interview with you at this time?

[redacted]

Q Did they tell you [redacted] why they were seeking an interview?

A I had already had something like four meetings, and I figured this is just going to go on until Reagan leaves office.

Q That may be true.

Let me reconstruct that. When did you have meetings with the Inspector General on various subjects?

A The first time [redacted] I guess it was in March. I spoke with the Inspector General at that time. [redacted] someone [redacted] from the IG staff, I believe, and I had no reason to discuss anything with him.

Q That was in March?

A No. The one in March I discussed this with. There was one previous to that and I cannot remember the date. It was earlier than that, and the questions were specifically directed toward the exchange of information on [redacted].

Q So you had a meeting with the IG in March of '87 that related in part to some of the things that we were just discussing?

A Yes, sir.

Q Including the helicopter and the lethal supplies?

A Yes, sir.

Q And you said you've had two or three other meetings with the IG?

A I had one previous to that with the IG where I discussed the specific question on did you give intelligence to the private benefactors and the FDN regarding [redacted].

Q Have you had meetings subsequent to March of '87 with the Inspector General?

A Yes, sir.

Q When would they have occurred?

A This last week.

Q So between March of '87 and last week you had no meetings with the IG?

A No, sir, not to my knowledge.

[redacted]

Q And when you spoke to the IG what did the IG indicate concerning why you were being reinterviewed at this time?

A I didn't ask. I just answered the questions.

Q And, once again, they went over some of the same things, but your recollection was different now based on the additional information you had received?

A I think the only thing that's different in all of my statements is the fact that now I do remember Ian Crawford going in with me [redacted] All of the other statements I've made have been the same.

Q Let me ask during your time up here last week were you given specific instructions by anyone concerning what to say and to say to investigators?

A No, sir. Nobody has ever prompted me before a meeting.

Q Have you had any meetings with Clair George during the past week?

A No, sir. I haven't seen Clair George.

Q [redacted]

A I stopped in his office to tell him I was here and say hello, and he didn't have time to sit and discuss the matters with me.

Q [redacted]

A Just to say hello.

Q So you've had no discussions concerning what you would or would not testify to?

A No, sir.

Q To various investigators?

A No, sir, not a bit. The only thing everybody has told me up front is whatever you do, make sure you tell the truth. That's it. And almost everybody in the organization has given me that advice.

Q Okay. Thank you.

MR. PEARLINE: Do you want to take a break?

(A brief recess was taken.)

BY MR. FINN: (Resuming)

Q Let's review a few of the other issues that have come up from time to time. This is on the contacts that you had with the private benefactors which were investigated earlier.

You say it was your understanding that you were not to, let's say, go out of your way to avoid them but treat them more or less in the same way that you would treat the FDN.

A Um-hum. Correct.

Q It's been widely reported, of course, that you permitted the air crews to glance at the map on your wall; is that correct?

A That's correct.

Q What did that map contain by way of information?

A Okay. The information on the map. I had for a very short period of time maintained just little personal marks which only I understood of enemy positions. They weren't static. In other words, these people were moving all the time. And those meant absolutely nothing because they weren't up to date. They weren't changed every week. They were just things that I had never erased.

There was only three things on the map. [redacted]

Q So you had three [redacted]

A That's correct.

Q And then a bunch of marks that were of significance only to yourself?

A That's correct.

Q And did the private benefactor air crews have, let's say, regular access to that, they could walk in any time and take a look at it?

A The private benefactors [redacted] had access to my room whenever they wanted to come in for a Coke or a beer in the evening. We were friends. I mean, I couldn't tell them, you know, stay the heck out of my room. But I had briefed them,was authorized to brief them, on [redacted] and I was specifically asked [redacted] by the FDN and the private benefactors.

I was given authority to release this information to them. [redacted]

Now -- well, that's basically what I have to say about that.

Q Did you also provide oral briefings to them in addition to letting them look at the map?

A Okay. When they came in, they wanted to know [redacted] which I showed them [redacted]

Q How often during this period or, let's say, approximately how many times did you orally provide intelligence-related information on Sandinista capabilities to the air crews, the private benefactor air crews?

A I showed them [redacted] that's about all I could ever give them, because at the time that is the only information I had about order of battle, [redacted]. That was it.

Q Was any threat posed to their aircraft, the private benefactor aircraft, by the MI-25s?

A No, sir.

Q Did you ever tell the private air crews the locations of the MI-25 bases?

A [redacted] The MI-25s were not a concern, and they were aware of this also because, first of all, it was common knowledge. The Sandinista air force did not fly during the evening hours after dark; therefore, they would not be subjected to an air attack by one, since they flew all their missions at night.

Q A considerable amount of this time you said the base was being operated Monday to Friday and [redacted] [redacted] was present as well; is that correct?

A Yes, sir.

Q Would you say that he was involved to the same degree in interacting with the air crews and on occasion providing them information?

A No, sir.

Q To a lesser degree?

A Yes, sir.

Q Why was that?

A Because [redacted] it was my responsibility to handle this.

Q Are you aware of any occasions on which went on board any of the private benefactor aircraft?

A No, sir.

Q Are you aware of any occasions on which he permitted private benefactor individuals to fly on CIA helicopters?

A No, sir.

Q Would [redacted] also have flown from time to time on Agency helicopters to places [redacted]

A Yes, sir [redacted] generally flew in a helicopter to go from [redacted] The reason I remember, he always said, geez, I'd really like to go out there and see what the camp looks like, but he never had the opportunity to fly to there. [redacted]

Q Would it be probable that [redacted] would also have observed lethal assistance being loaded, unloaded or carried on any of the helicopter flights?

A Absolutely.

Q I believe you stated in an interview previously that you went aboard the C-7 on various occasions.

A Yes, sir.

Q What was the purpose of that?

A Okay. If I remember correctly, there were three occasions that I flew on the airplane. The first occasion -- let me retract here a little bit. Before I ever went on an aircraft I went in to [redacted] [redacted] and told them my desires to fly on the aircraft and why I wanted to, and that since we were treating them liked the FDN I had authorization or there was no restriction preventing me from flying on FDN aircraft. I didn't think there would be a problem, and [redacted] said fine. Go ahead. Be careful.

Now the first time I ever went on the aircraft it was in anticipation of the flight I was going to make like the next day to go in by helicopter. I had discussed with the pilots of the Caribou, the private benefactors, what they thought of the situation in that general area because of the information we had that there were MI-25s patrolling [redacted] frequently as much as every half hour, and how well the terrain features matched the general map of the area that we had.

They explained to me that they had not seen any MI-25 on any of their flights inside, which did not indicate they weren't there. I had to assume they were there. Secondly, they did tell me that if you were to fly in there looking for the place on your own you were going to encounter many problems because the maps don't match that of the terrain features on them or the actual terrain features of the land in comparison with the map.

I hope I'm not confusing you. The whole idea was that I needed to know how to get in there in the most expeditious means possible and get the helicopter out equally as fast to minimize risk for that aircraft. So I requested from the pilot -- and I don't remember who the pilot was at the time -- if I could ride along board with him and he could show me exactly which direction to fly, what land features to use as identifying points, reference points, and the best side to approach this thing from on entering it.

So I took my map along, stood between the pilot and copilot, flew in there. He pointed out the different land features, went right to the target. It was very simple. And I came out. The biggest fear was that in addition to the MI-25s, [redacted] you would be inside of Nicaragua before you would ever see [redacted] I mean, you would cross [redacted]

And we didn't want to do that. So I went ahead on that mission, found out how to enter it. The following day or whatever it was, we flew in there, made our dropoff of me. They returned and came back later to pick me up.

Q The C-7 could land [redacted]

A This is in the helicopter. I see what you are getting at. No. They were doing an air drop. They were flying in there to do a routine air drop.

Q And you went along?

A I went along between the pilot and copilot to see where they were going, and when they returned I did know where it was and subsequently went in in my helicopter.

Q I see. What was the second time on the C-7?

A Okay. I can't remember if it was the second or third, but the other instance was the one that Ian Crawford mentioned, that I went up in the airplane with the paratroopers. [redacted]

[redacted] approached me and asked me if I thought that the private benefactors would mind if they made a jump out of their aircraft.

I told them I didn't know, and what I could do is ask them if they would mind if they used their airplane. They could have done it themselves, except they don't speak English, and the private benefactors didn't speak Spanish. So it was convenient. So I asked them. The captain of the aircraft said no problem, tell them they could do it.

And none of these people had ever jumped out of a ramp type platform off of an airplane, a tailgate. And a tailgate is different in jumping from a standard side door. So I took it upon myself to go ahead and ride along just to observe what they were doing, and I had every intention, if anything looked like it was developing into a bad situation that somebody is going to get hurt, I would have put a stop to it, and that was the whole intent of it.

They all jumped out. Everything went fine. These guys knew what they were doing. As it turned out, I think this one guy had jumped ramp aircraft [redacted] before. He was well trained. But anyhow that aircraft then proceeded [redacted] and dropped a load of cargo and returned [redacted] The reason they didn't land and let me off at that point was because consumption of fuel.

The third time that I flew on the aircraft I went from [redacted] with a load of lumber that was to be used for construction of [redacted] hospital, which I'm almost positive was provided by humanitarian funds. The reason I went out on that one was because the Indians are notorious -- that's the Kisan -- for getting their hands on equipment and getting rid of it fast for money if they can, and I knew that if that stuff wasn't put in the hands of [redacted] the lumber would disappear before the hospital could be constructed.

So I flew out with them, [redacted] made sure that the lumber got in the right hands and the hospital was then constructed.

And that is, to the best of my recollection, the extent of my time in that aircraft.

[redacted]

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[redacted]

Q Let's go back to the helicopter for a minute. Did you have any reason since certain helicopters were also transporting supplies for the contras, did you have any reason to think that additional flights were being made for that purpose?

A Could you say that again?

Q The purpose of the CIA's project helicopters was to support CIA activities [redacted]

A Yes.

Q That involved the moving of people [redacted] and perform other [redacted] missions, maybe a limited quantity of equipment to support those missions. Contras were permitted to come on board personally on a space-available basis and apparently supplies were also permitted on board. Do you have any reason to believe that more flights -- flights were arranged in order to support that resupply function and not solely for their primary mission [redacted]

[redacted]

A I can't answer that because I didn't schedule the aircraft. Like I said, if the aircraft showed up to my place and he was going to another location and there was space on board, we put cargo or the FDN put cargo on board that aircraft.

Q When you summarized the number of times in which the helicopters carried lethal supplies you said on a variety of occasions they would have carried lethal equipment, and that could have gone up to one and a half tons on a particular helicopter, which is the cargo capacity of a helicopter. Can you give, let's say, more specificity to that? What does that mean? How many flights did you observe that contained lethal, approximately?

A Okay. I've been asked this before. I can't put a finger on how many flights there were. They didn't happen with any sort of frequency. There might be one flight this week. Two weeks from now there might be three days in a row that stuff moved on a helicopter. I cannot say for certain how many flights there were at what intervals it came about. I just remember seeing them.

The movement of material on helicopters is one of the smallest priorities in my work, and it's nothing that really grabs my attention. And, like I state, there are more things that I pay attention to than that.

Q You said you observed crates from time to time that would contain military supplies. You mentioned, I believe, mortars, mortar ammunition; is that correct?

A I know for certain that there was mortar ammunition and mortar tubes on one flight.

Q Did you observe assault rifles, crates of assault rifles?

A I cannot remember any other specific items, and I can't say with any degree of certainty that I remember boxes being loaded on these airplanes. I just know from occasions seeing the aircraft loaded with material it went out. But, like I said, I didn't pay attention to it. I did report every one of them and what the equipment went on there from point A to B.

[redacted]

[redacted]

Q The only thing you can recall with confidence is the mortars and mortar ammunition and mortar tubes in the boxes?

A Yes, sir. That's the only thing that I can specifically say I know, and the reason I know, I was on the aircraft.

Q Let me ask you this. The helicopters, in my understanding, would fly out of and, as we discussed before, would fly occasionally out [redacted] There were contras [redacted] who presumably needed some defensive equipment. Based on what you observed about the quantities of arms that were on the helicopters, the ones that you spotted, would it be consistent with what you saw to say that they were just defensive arms [redacted]

A I have no idea what anything was used for other than the fact that it was put on the helicopter at [redacted] and would go to its destination. What the user did with it at the other end, I have no idea. There was not -- you know, I don't want you to be under the impression that the majority of these flights carried arms and ammunition. The helicopters carried material and the material went anywhere from boots to uniforms to hats, to machetes, to ammunition and weapons.

But I cannot say how many. I cannot say what percentage or anything like that. It is on record and it can be obtained, but I do not remember them.

Q You filed reports on these?

A Yes, sir. Every single flight that left [redacted] was documented.

Q Helicopter flights?

A Helicopter flights.

Q And you would report on the nature of the cargo that was on the helicopter?

A Yes, sir.

Q How would you make such a report?

A It went out in intel format on such and such a date, you know, FDN [redacted] delivered X number of pounds of cargo from [redacted] and then the coordinates to [redacted]

Q You would file such a report even if the CIA helicopter --

A Absolutely.

Q Would there be any way of telling from such a report whether the cargo was carried on a CIA helicopter or a non-CIA asset?

A Okay. The FDN does have a [redacted] helicopter and it is named Lady Ellen, and they also have a [redacted]. The [redacted] has hardly ever been used to move cargo from my location to [redacted] or any other location. The two helicopters generally operate [redacted] somewhere else forward. The Lady Ellen has been unserviceable for the majority of its life [redacted] Therefore you can assume a majority of everything that's reported, that would be reported as helicopter, would be from project helicopters.

Q So based on your reporting every report that reports a delivery by helicopter [redacted] we can pretty much be sure was on a CIA helicopter?

MS. MC GINN: Object to the form of the question. That's not what he said. He said the majority.

THE WITNESS: That's exactly right. The aircraft that left [redacted] for the most part were Agency or project helicopters, and there were occasions that Lady Ellen did move stuff, but Lady Ellen did spend the majority of its time unserviceable.

BY MR. FINN: (Resuming)

Q What percentage of the time was the Lady Ellen in operation?

A I can't remember, sir, but I also do monthly reports on the serviceability of all aircraft and it would be stated in there. I remember as much as two or three months where Lady Ellen was down.

Q Well, if we got all the reports that you filed about the cargo that was delivered by helicopters [redacted] how much of that could we assume was carried on a CIA helicopter as a rule of thumb, in your estimation?

A I can't give you a percentage. I mean, I would be speculating if I give you a percentage.

Q Well, is a CIA helicopter in operation 100 percent of the time, and there is the Lady Ellen which is out of operation most of the time, and there's a [redacted] which doesn't carry much cargo and would seldom be used for that purpose. So that appears to say that there would be a certain high percentage of times in which any reported helicopter deliveries would be on a CIA helicopter.

Can you give any kind of figure to that percentage?

A Well, you can assume that the aircraft would be, the majority of the flights would be with that, but for me to sit here and state that 70 percent or 80 percent or 20 percent was used by Agency helicopter would be speculation.

Q Would it be safe for us to assume that two-thirds of any such --

A I don't know. I really don't know. I would like very much to answer you, but I would be guessing and I might be giving you wrong information.

Q Would there be any way to tell from the reports if it was the Lady Ellen? Would it be indicated in the reports?

A It would say helicopter.

MR. FINN: I think I'm to the end of mine. Does anyone else have anything?

MR. BERMINGHAM: I was just going to ask one thing.

EXAMINATION

BY MR. BERMINGHAM:

Q As I recall, you said that talking to [redacted] when you pointed out this is illegal to use Agency craft for the weapons and he said go ahead and do it, they probably won't survive, that was an important little discussion. And then Clair George shows up a couple of days later, and I think you said --

A No, sir. This conversation took place way before Clair George ever showed up.

Q When did you talk to [redacted] about it?

A I talked to [redacted] shortly before the IG [redacted]

Q Which was about when?

A A week or two weeks prior to that. [redacted]

Q So this is an important, significant thing. You and [redacted] and [redacted] are talking about this particular issue. Within how long after that did Clair George arrive, after this last talking with [redacted] and [redacted] about this?

A I would say within a week, something like that, two weeks -- and I'm guessing.

MR. PEARLINE: Could we go off the record for a second?

(A discussion was held off the record.)

BY MR. BERMINGHAM: (Resuming)

Q Clair George [redacted] specifically asked you did you really give this guy a ride down here.

A Correct.

Q And was there really ammunition on board.

A Correct.

Q He didn't ask you anything about were there any other ammunition trips using CIA helicopters?

A Never mentioned anything else. I mean, it was just a dead subject then. He just asked me that question. I answered the question, and that was it.

[redacted]

Q Okay. And the second question I have is about the [redacted]

A It would have been extremely difficult to move anything in that [redacted]

Q Then if we can more or less rule out the use of [redacted] for any sizeable shipment of arms, and if we get the records on the Lady Ellen that show that the Lady Ellen is out of commission for a certain two-month period, any arms shipped to [redacted] from [redacted] would have had to have been by helicopter, would have to have been?

A During that particular period.

Q If the Lady Ellen was out, correct?

A That's correct.

Q And the Lady Ellen, is that big helicopter?

A It's smaller [redacted] They don't have the side storage capability [redacted] It reduces the storage by about at least a third.

Q And who was piloting the Lady Ellen?

A An FDN pilot.

[redacted]

Q Ian Crawford mentions a strange [redacted] that he saw there.

A I've heard this before, and I haven't ever seen this aircraft. I've never seen it.

Q Do you think he's confusing it with the FDN's [redacted]?

A I don't know what the man thinks. All I know is that we've only had one [redacted] at [redacted] It was there the whole time he was there. [redacted] And what he is stating I have no idea what he is referring to because I've never seen another one there.

Q His description was just [redacted].

A You know, I don't know what he saw, but I haven't ever seen another [redacted] at [redacted]

Q You just saw one [redacted] there?

A Yes, sir.

Q There's also been several allegations in the newspapers about drugs being shipped.

A Could I back up? I don't remember how long Ian Crawford and group were there. This new [redacted] was parked there. It flew in. I don't know if he was there during that time frame. It wasn't coming down to bring cargo. [redacted] It was the new [redacted] but it never moved during the whole time they were there. [redacted]

But as far as [redacted] coming [redacted] to bring in anything or go out with anything, there weren't any.

Q Just a general question of various allegations about drug traffic [redacted] Did you ever see any planes carrying any bundles of marijuana?

A That's absurd. I've never heard of anything like that. I have never seen it, never heard anything about it, never heard anybody even talking about it or anything.

Q You feel confident that it didn't happen?

A I would say yes, sir, to my knowledge. I would think it foolish to even consider it. The FDN is extremely aware and keen on the fact that they are under U.S. Government scrutiny and to do something like that would be absolutely absurd.

Q I just wanted that for the record because the allegations have been made.

BY MR. FINN: (Resuming)

Q I've got a couple more now that I stop and think about it.

[redacted]

Q Just two more questions about the helicopters. In the CIA's method of running helicopters, who is responsible to certify the cargo and make the decision that a flight will proceed? Is that the pilot's responsibility or is there a loader or designated agent of some kind who would certify that everything's okay, take off?

A Okay. Not to knock a pilot down or anything, but pilots have a specific job, and that's to fly an airplane. They do not make decisions on where they are flying or what they are carrying. That is done either [redacted] by the chief or through a request from [redacted] which goes [redacted] and then the plane is laid on by either the chief or [redacted]

Q Okay. And at the staff meeting at which you brought up the subject about the lethal supplies going on the helicopters, who would have been present in that kind of staff meeting [redacted]

A The whole [redacted] is invited to our staff meetings.

Q Would this usually also include the

individuals who would serve the helicopters on the ground [redacted]?

A Yes, sir, absolutely.

Q [redacted] if he was available?

A Yes, sir.

Q I just wanted to establish who would have been at such meetings.

A They would have been there and they would have understood the policy [redacted] after the meeting.

MR. FINN: Okay. Thank you.

BY MR. BERMINGHAM: (Resuming)

Q One question. When you mentioned when you had the discussion with [redacted] about the illegality or legality of using the Agency aircraft, was it at the conclusion of the meeting as a private conversation or was it discussed with the whole group?

A No. It was during my turn at the floor. Each [redacted] got to mention the business at hand for the week, the following week, and also any problems, personal problems they might have with operations. [redacted] would get their chance to speak just like any general staff meeting. Everybody at the meeting gets to voice whatever is on their mind.

Q And you made this in front of the whole group, the problem that should be considered, and you got the reply?

A The group was there.

BY MR. FINN: (Resuming)

Q And the group was also present when [redacted] replied that the contras needed this in order to survive?

A That's correct.

MR. FINN: Very good. Thank you.

(Whereupon, at 1:10 p.m., the taking of the instant deposition ceased.)

____
Signature of the Witness

Subscribed and Sworn to before me this _________ day of
____________________, 1987.

____
Notary Public

My Commission expires: ______________________________

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CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

Notary Public
in and for the District of Columbia

My Commission Expires: February 28, 1990

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